


United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)	Filed: USBC - Southern District of New York Lehman Brothers Holdings Inc., Et Al. 08-13555 (JMP) 0000019887	
Name of Debtor Against Which Claim is Held LB Rose Ranch LLC	Case No. of Debtor 09-10560		
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to make a claim for Lehman Programs Securities (See definition on reverse side.)			
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) Stonehill Offshore Partners Limited c/o Stonehill Capital Management LLC 885 Third Ave., 30th Floor New York, NY 10022 Attn: Paul D. Malek, Esq. Telephone number: 212-739-7474 Email Address: <i>pmalek@stonehillcap.com</i>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	
Name and address where payment should be sent (if different from above) Telephone number: _____ Email Address: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ not less than \$23,460,716 If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9), complete Item 6. <input type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* *IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO http://www.lehman-claims.com AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on http://www.lehman-claims.com if claim is based on a Derivative Contract or Guarantee.		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: \$ _____	
2. Basis for Claim: Prime brokerage agreement (see attachment) (See instruction #2 on reverse side.)			
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)			
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____			
6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ _____ (See instruction #6 on reverse side.)			
7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain: _____		FOR COURT USE ONLY <div style="border: 2px solid black; padding: 10px; text-align: center;">FILED / RECEIVED SEP 21 2009 EPIQ BANKRUPTCY SOLUTIONS, LLC</div>	
Date: 9/21/09	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <i>Paul Malek</i> PAUL MALEK, GENERAL COUNSEL, STONEHILL CAPITAL MANAGEMENT LLC		

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Name of Debtor, and Case Number:

YOU MUST INDICATE THE SPECIFIC DEBTOR AGAINST WHICH YOUR CLAIM IS ASSERTED, INCLUDING THE NAME OF THE DEBTOR AND THE RELATED CASE NUMBER (DEBTORS AND CASE NUMBERS LISTED BELOW), IN THE SPACE ALLOTTED AT THE TOP OF THE CLAIM FORM.

08-13555	Lehman Brothers Holdings Inc.	08-13905	CES Aviation LLC
08-13600	LB 745 LLC	08-13906	CES Aviation V LLC
08-13885	Lehman Brothers Commodity Services Inc.	08-13907	CES Aviation IX LLC
08-13888	Lehman Brothers Special Financing Inc.	08-13908	East Dover Limited
08-13893	Lehman Brothers OTC Derivatives Inc.	09-10108	Luxembourg Residential Properties Loan Finance S.a.r.l.
08-13899	Lehman Brothers Derivative Products Inc.	09-10137	BNC Mortgage LLC
08-13900	Lehman Commercial Paper Inc.	09-10558	Structured Asset Securities Corporation
08-13901	Lehman Brothers Commercial Corporation	09-10560	LB Rose Ranch LLC
08-13902	Lehman Brothers Financial Products Inc.	09-12516	LB 2080 Kalakaua Owners LLC
08-13904	Lehman Scottish Finance L.P.	08-13664	PAMI Statler Arms LLC

If your Claim is against multiple Debtors, complete a separate form for each Debtor.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4, 5 and 6. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9)

State the value of any goods received by the debtor within 20 days before the date of commencement in which the goods have been sold to the debtor in the ordinary course of the debtor's business.

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

8. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the Claims Agent at the following address:

Lehman Brothers Holdings Claims Processing
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, PO Box 5076
New York, NY 10150- 5076

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured Claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Derivative Contract

A contract that is any of (i) a "swap agreement" as such term is defined in section 101(53B) of the Bankruptcy Code or (ii) a "forward contract" as such term is defined in section 101(25) of the Bankruptcy Code. A cash-market purchase or sale of a security or loan (i.e. any purchase or sale of a security or loan for settlement within the standard settlement cycle for the relevant market), exchange-traded future or option, securities loan transaction, repurchase agreement in respect of securities or loans, and any guarantee or reimbursement obligations which would otherwise be included in the definition of such terms in the Bankruptcy Code shall not be considered a Derivative Contract for the purposes of this definition nor shall any notes, bonds, or other securities issued by the Debtors or their affiliates (including, but not limited to, Lehman Brothers Holdings Inc., Lehman Brothers Treasury Co. B.V., Lehman Brothers Bankhaus AG, Lehman Brothers Holdings plc, Lehman Brothers Securities N.V., and Lehman Brothers (Luxembourg) Equity Finance S.A.).

Guarantee

A promise, representation or agreement to answer for the payment of some debt or the performance of some duty in case of the failure of another person or entity who is liable in the first instance.

Lehman Programs Securities

Lehman Programs Securities means those securities included on the Lehman Programs Securities list available on <http://www.lehman-docket.com> as of July 27, 2009.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim, or you may access the Claims Agent's system (<http://www.lehman-docket.com>) to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----x
In re: : Chapter 11 Case No.
: :
LB Rose Ranch LLC : 09-10560 (JMP)
: :
Debtor : (Jointly Administered)
-----x

**ATTACHMENT TO PROOF OF CLAIM OF
STONEHILL OFFSHORE PARTNERS LIMITED**

Stonehill Offshore Partners Limited ("Claimant") hereby files this claim (the Proof of Claim Form together with this Attachment are referred to herein as the "Claim") in the chapter 11 case of LB Rose Ranch LLC (the "Debtor") and, in support of the Claim, represents as follows:

Background

1. Claimant is a private investment fund organized as an exempted company under the laws of the Cayman Islands. Stonehill Capital Management LLC ("SCM") is Claimant's investment adviser and an authorized signatory for Claimant.

2. Prior to the commencement of these chapter 11 cases, Claimant had various business relationships with and was party to a number of agreements with the Debtor and its affiliates. A description of certain of these business relationships and agreements and the claims of Claimant against the Debtor arising thereunder is set forth below.¹

Prime Brokerage

3. *The PB Agreement.* Lehman Brothers Inc. ("LBI"), an affiliate of the Debtor currently in a liquidation proceeding (the "SIPA Proceeding") under the Securities Investment Protection Act of 1970, as amended ("SIPA"), was Claimant's sole prime broker until September 17, 2008, two days before commencement of the SIPA

¹ Stonehill Institutional Partners, L.P., an affiliate of Claimant, was also a party to a number of agreements with the Debtor and its affiliates and is filing separate proofs of claim in these cases. SCM was a signatory for Claimant for various agreements in its capacity as investment adviser and authorized signatory of Claimant.

Proceeding. Claimant was party to a Customer Account Prime Brokerage Agreement (Account No.: 732-40125) (the “PB Agreement”) between Claimant and LBI “as signatory for itself and as agent for the affiliates named herein.” The PB Agreement (Paragraph 1) provides that the parties to the PB Agreement consist of Claimant and “Lehman Brothers Inc., Lehman Brothers International (Europe), Lehman Brothers Finance S.A., Lehman Brothers Special Financing Inc., Lehman Brothers Holdings Inc. [“LBHI”] and any of their subsidiaries, parents, affiliates, divisions, officers, directors, agents and employees now existing or hereafter created.” Such entities are defined as and referred to throughout the PB Agreement collectively and interchangeably as “Lehman Entities” and “Lehman Brothers” and are referred to interchangeably in this Claim as “Lehman Entities” or “Lehman Brothers” (which terms include the Debtor).² Thus, the Debtor and its affiliated debtors and debtors-in-possession were parties to the PB Agreement. As a party to the PB Agreement, the Debtor is fully liable for all amounts owed to Claimant in connection with the PB Agreement. A copy of the PB Agreement is attached to this Claim as Exhibit A.

4. As Claimant’s sole prime broker and pursuant to the PB Agreement, LBI had custody of a substantial portion of Claimant’s assets, including both cash and securities, and was “responsible for settling trades executed on [Claimant’s] behalf by [Claimant’s] executing broker(s).” (PB Agreement, Paragraph 21(b)). In addition, the PB Agreement authorized “Lehman Brothers to lend either to itself or to others any securities held by Lehman Brothers in any of [Claimant’s] accounts” but provided that Claimant “will be entitled to receive all distributions, including, but not limited to, cash . . . made on or in respect of any loaned, pledged, repledged, hypothecated or rehypothecated securities.” (PB Agreement Paragraph 19). As a regulated broker dealer and by virtue of course of conduct among the parties, industry practice and custom, and an implied duty of good faith and fair dealing, LBI (as well as the other Lehman Entities) also had responsibilities to Claimant not specifically enumerated in the PB Agreement which

² Although paragraph 21 of the PB Agreement refers specifically to “LBI” in connection with prime brokerage services, as noted above LBI acted as agent for and signed on behalf of the other Lehman Entities in that capacity. In addition, paragraph 4 of the PB Agreement states that the Claimant “and Lehman Brothers intend this Agreement to be a master netting agreement”, which is an additional indication that the parties intended all Lehman Entities to share in the benefits and burdens of the PB Agreement.

provide an additional basis for the claims asserted by Claimant under the PB Agreement. The failure of LBI to return Claimant's cash and securities therefore constituted a breach of the PB Agreement by the Debtor and the other Lehman Entities.

5. *Claims Arising Under PB Agreement.* On September 17, 2008, two days before the commencement of the SIPA proceeding, Claimant directed LBI to transfer Claimant's securities and cash to another prime broker. LBI agreed to effectuate the transfers conditioned on Claimant posting \$5.5 million in cash collateral. On September 17, 2008, the required \$5.5 million was deposited (the "Cash Collateral Deposit") by Claimant with LBI. In October 2008, at the time of the initial delivery by LBI of certain of Claimant's securities to Claimant, LBI conducted an analysis of Claimant's cash balance as of September 19, 2008 (the "True-Up") which resulted in a net amount of \$2,248,173.04 purportedly being owed by Claimant to LBI. That amount was paid by Claimant to the SIPC trustee on October 21, 2008.³

6. On January 26, 2009, Claimant filed a proof of claim in the SIPA Proceeding asserting various claims against LBI under SIPA (the "SIPA Claim"). A copy of the SIPA Claim is attached to this Claim as Exhibit B. Between the commencement of the SIPA Proceeding and the date of this Claim, the majority of Claimant's securities and a portion of Claimant's cash have been returned. However, as of the date of this Claim, approximately \$395,473.59 in securities (fair market value as of September 9, 2009) and approximately \$23,065,243.02 in cash continues to be held by LBI. As more fully described in the SIPA Claim, the current balance of the cash component of the SIPA Claim includes the following⁴

- approximately \$257,571.75, the amount of an overpayment by Claimant to the SIPC trustee on October 21, 2008 when Claimant "zeroed out" its LBI cash balance as part of the True-Up (Component 1 of the SIPA Claim);

³ Claimant reserved its rights with respect to such payment because Claimant did not agree that it owed the net amount calculated by LBI but did not want to risk delay and potential subsequent failure of LBI to return the securities, which likely would have further damaged Claimant.

⁴ Amounts included as component 6 of the SIPA Claim are not included in this Claim because such amounts were solely obligations of LBI. Amounts included as component 7 of the SIPA Claim are not included in this Claim because such amounts were settled with the SIPA Trustee.

- principal, interest and other payments (in various currencies) on securities custodied at LBI that should have been but were not remitted to Claimant as required by the PB Agreement in the following amounts:

USD 6,173,078.91
GBP 5,262,140.69
EUR 122,442.03
CAD 164,576.11

(Component 2 of the SIPA Claim)

- approximately \$418,205.28⁵ the amount of misdirected wires sent to LBI after September 19, 2008 through the date of this Claim that should have been but were not remitted to Claimant as required by the PB Agreement (Component 3 of the SIPA Claim);
- \$5,500,000, the Cash Collateral Deposit (Component 4 of the SIPA Claim);
- \$655,000, an amount debited by LBI on August 12, 2008 from Claimant's account for a trade that never settled (Component 5 of the SIPA Claim);
- \$6,135,929.26, the aggregate amount of losses as of September 19, 2008 on foreign currency hedges entered into under the PB Agreement (Component 8 of the SIPA Claim)⁶;
- \$1,788,283.65, the purchase price for bank debt sold by Claimant to a third party, which amount was paid by the third party to LBI, and for which LBI acknowledged receipt, but which was only posted to Claimant's account on October 10, 2008 and was excluded from the True-Up calculation and is owed to Claimant (Component 9 of the SIPA Claim); and
- In addition to the foregoing, interest may be payable or claimable on the cash balances described above, and additional misdirected wires and/or other amounts may have been received by LBI or other Lehman Entities prior to the date hereof or may be received by LBI or other Lehman Entities after the date

⁵ Dollar amount is based on exchange rates as of September 10, 2009.

⁶ Although Claimant believes that LBI may have been the only Lehman entity directly involved with the foreign currency hedges, such hedges were entered into under the PB Agreement and are therefore obligations of all of the "Lehman Entities", as noted above.

of this Claim. Claimant fully reserves the right to amend this Claim to include any and all such amounts as part of its Claim. (Component 10 of the SIPA Claim)

7. The amounts described above, in the aggregate equal to approximately \$23,460,716⁷ plus the additional unliquidated amounts referenced above, are obligations of the Lehman Entities, including the Debtor, under the PB Agreement.

8. The amounts owed under the PB Agreement discussed above are also recoverable by Claimant as a result of willful and material misrepresentations made by and/or on behalf of the Lehman Entities regarding their financial position and related matters, both publicly⁸ and by a senior representative of the Lehman Entities directly to SCM, Claimant's investment adviser. Such misrepresentations induced Claimant (and likely induced similarly situated customers and counterparties of the Lehman Entities) to refrain from terminating Claimant's prime brokerage (and other counterparty) relationships with the Lehman Entities.

9. During a phone call held in early September 2008, shortly before the Lehman chapter 11 filing and the commencement of the SIPA Proceeding, Mr. John Wickham, believed to be head of Lehman Brothers Global Client Services and acting as a representative of the Lehman Entities, called John Motulsky of SCM in response to Mr. Motulsky's voicemail message to Alex Kirk, believed to then be a senior officer of LBHI, asking about the Lehman Entities' financial stability, specifically in connection with the Lehman Entities' prime brokerage and other commercial relationships with Claimant and its affiliates.

10. In response to questions and concerns expressed by Mr. Motulsky regarding the Lehman Entities' financial strength and viability, Mr. Wickham sought to reassure Claimant (through SCM and Mr. Motulsky) regarding the Lehman Entities' financial condition and the stability of its prime brokerage operation. Mr. Motulsky recalls that Mr. Wickham stated that that Lehman had adequate liquidity because unlike

⁷ Foreign currency amounts that comprise component 2 of the SIPA Claim have been converted into US Dollars based on the exchange rate as of the close of business on September 10, 2009.

⁸ For example, on an earnings call held on September 10, 2008, five days prior to LBHI's chapter 11 filing, Lehman Brothers' CFO at the time, Ian Lowitt, stated regarding Lehman Brothers' liquidity position that "our liquidity position ... remains very strong."

Bear Stearns it prudently financed its customers with matched funding and had sufficient liquidity from sources it believed to be reliable to meet all of its obligations for a year even if no new financing was available, that it had \$12 billion of surplus cash, and also cited the availability of secured financing from the federal reserve, none of which was used.

11. Mr. Motulsky also recalls that Mr. Wickham also stated that Lehman's unrealized appreciation in various assets (one of which was Neuberger Berman, half of which Mr. Wickham stated might soon be sold at a profit to realize value and add to tangible equity) were more than sufficient to cover possible unrealized losses in its portfolio and provide incremental equity that would be required for a planned spinout of most of Lehman's commercial real estate portfolio, and conveyed a message that Lehman Brothers' prime brokerage operation would continue operating in the normal course, and that Claimant should be comfortable continuing its customer and counterparty relationship with Lehman Brothers.⁹ A few days after this conversation the Debtor commenced this chapter 11 case and LBI commenced its SIPA Proceeding.

12. As a result of the material misrepresentations by Lehman Brothers and its representatives to the public, including by Mr. Wickham, who acted with apparent authority on behalf of Lehman Brothers Holdings Inc. and its affiliates, to SCM, Lehman Brothers and their representatives succeeded in persuading the Claimant to refrain from demanding the return of its assets held by LBI and other Lehman Entities and otherwise taking actions to promptly reduce its commercial exposure to Lehman Brothers prior to the effective curtailment of LBI's normal operations and the subsequent commencement of the SIPA Proceeding.

13. Thus, by virtue of the public misrepresentations of Lehman Brothers and private misrepresentations by Mr. Wickham, Lehman Brothers' agent, directly to SCM, which misrepresentations were intended to convince Lehman Brothers' customers and counterparties in general and SCM in particular of the financial stability and health of Lehman Brothers despite the fact that Lehman Brothers' officers knew or should have

⁹ Many of Mr. Wickham's comments appeared to be taken from talking points Mr. Wickham received from the Lehman Entities for communications with customers, rather than being "off the cuff" remarks or Mr. Wickham's personal views regarding Lehman's financial condition.

known that there were substantial risks that Lehman Brothers' liquidity and capital may not continue to support its operations, the Lehman Entities, including the Debtor, are fully liable for any and all amounts owed to Claimant in connection with the PB Agreement or otherwise arising in connection with Claimant's prime brokerage relationship with Lehman Brothers.

14. Claimant is entitled to assert and is asserting against the Lehman Entities, including the Debtor, the full amount of claims arising under the PB Agreement notwithstanding the pending SIPA Claim, provided that Claimant may not recover more than 100% of the amount of such claims.

Reservation of Rights

15. No payments have been made to Claimant on account of the claims asserted herein.¹⁰

16. Claimant reserves all of its rights to supplement or amend this Claim in any and all respects, including to liquidate amounts which are presently unliquidated or estimated.

17. In the event that the Debtor or any of the other debtors assert or Claimant shall determine that another debtor or other party is obligated or liable for any of the categories of claims and amounts set forth herein, this Claim shall be deemed to have been asserted against such other debtor or other party for such category and amount.

18. To the extent not set forth in this Claim, Claimant also makes claim for all direct, indirect, nominal or consequential damages, interest, costs, attorneys' fees, and other amounts owed or owing to it, to the extent recoverable under the applicable agreement and/or applicable law, whether or not liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, in law or equity, secured or unsecured, directly or indirectly related to the matters discussed in this Claim. Claims for amounts asserted herein which are or could be deemed to be postpetition interest under the Bankruptcy code are asserted to the extent allowed under the Bankruptcy Code and applicable non-bankruptcy law.

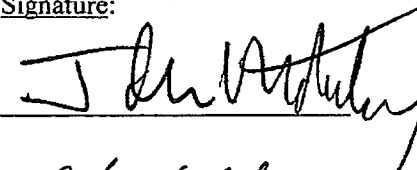
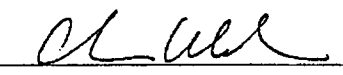

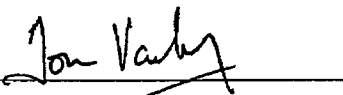
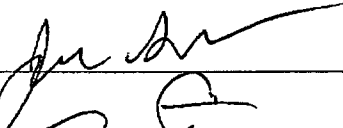
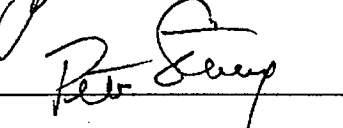
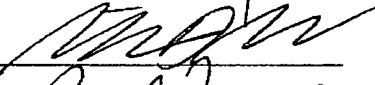
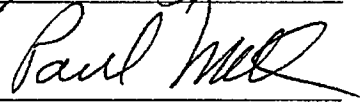
¹⁰ Claimant has received distributions in the SIPA Proceeding on account of its SIPA Claim, but such claim has not been paid in full.

19. The filing of the Claim is not and shall not be deemed or construed as consent by Claimant to the jurisdiction of this Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving Claimant.

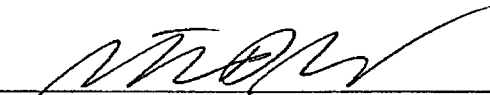
20. Neither the substance nor the act of filing this claim, nor any later appearance, pleading, claim, or action in these cases, is intended or shall be deemed to be a waiver, release, or modification by Claimant of its (a) right to have final orders in non-core matters entered after de novo review by a District Judge; (b) right to trial by jury in any proceeding so triable in this case or any case, controversy or proceeding related to these cases; (c) rights under the applicable safe harbor provisions of the Bankruptcy Code; (d) right to seek to have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal; or (e) other rights, remedies, claims, actions, defenses, setoffs or recoupments to which Claimant is or may be entitled, all of which are hereby expressly reserved.

**CERTIFICATE OF INCUMBENCY
OF
STONEHILL OFFSHORE PARTNERS LIMITED
(the "Company")**

I, Steven D. Nelson, the Chief Financial Officer of Stonehill Capital Management LLC ("SCM"), the Company's investment adviser, hereby certify that: (i) SCM and Mr. Geoff Ruddick are the only directors of the Company as of July 13, 2009; (ii) SCM is an authorized signatory of the Company pursuant to the Company's constituent documents and an Investment Management Agreement, dated as of May 1, 2009, between the Company and SCM; (iii) the following individuals are authorized signatories of SCM and the Company; and (iv) true specimens of the signatures of such individual authorized signatories are set forth below:

<u>Name:</u>	<u>Title:</u>	<u>Signature:</u>
John A. Motulsky	Managing Member, SCM	
Christopher E. Wilson	Managing Member, SCM	
Wayne J.D. Teetsel	Managing Member, SCM	
Thomas Varkey	Managing Member, SCM	
Jonathan S. Sacks	Managing Member, SCM	
Peter M. Sisitsky	Managing Member, SCM	
Steven D. Nelson	Chief Financial Officer, SCM	
Paul D. Malek	General Counsel, SCM	

Dated: July 13, 2009



Steven D. Nelson
Chief Financial Officer,
Stonehill Capital Management LLC,
the Company's Investment Adviser

NOTARY ACKNOWLEDGEMENT ON FOLLOWING PAGE

ACKNOWLEDGEMENT

State of New York)
)ss
County of New York)

On July 13, 2009, before me Ann Kalter, Notary Public in and for said county, personally appeared Steven D. Nelson, who has satisfactorily identified himself as the signatory of the Incumbency Certificate of Stonehill Offshore Partners Limited.

Ann F. Kalter

Notary Public

ANN F. KALTER
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01KA5083975
QUALIFIED IN KINGS COUNTY
COMMISSION EXPIRES AUGUST 25, 2009

EXHIBIT A

**Customer Account
Agreement Prime
Brokerage**

LEHMAN BROTHERS INC.

Lehman Brothers Inc.
745 Seventh Avenue
New York, NY 10019
(212) 526-7000

Stonehill Offshore Partners LTD

Account No.: 732-40125

Please Read Carefully, Sign and Return

This agreement ("Agreement") sets forth the terms and conditions under which Lehman Brothers (as defined below) will open and maintain prime brokerage account(s) in your name and otherwise transact business with you as our customer. Throughout this Agreement references to "you" and "your" refer to you as our customer.

In consideration of Lehman Brothers opening a prime brokerage account for you, you agree to the following:

1. PARTIES. A prime brokerage account opened pursuant to this Agreement will be opened at Lehman Brothers Inc. ("LBI"). All transactions, agreements and contracts between you and Lehman Brothers have been entered into in consideration of each other. You hereby agree that the parties to this Agreement shall consist of you and Lehman Brothers Inc., Lehman Brothers International (Europe), Lehman Brothers Finance S.A., Lehman Brothers Special Financing Inc., Lehman Brothers Holdings Inc. and any of their subsidiaries, parents, affiliates, divisions, officers, directors, agents and employees now existing or hereafter created, including successors and assigns (each such entity or person being referred to hereinafter as Lehman Brothers or a "Lehman Brothers Entity," unless otherwise specified, and all such entities or persons being collectively referred to hereinafter as "Lehman Brothers"). Unless you advise Lehman Brothers in writing to the contrary, you represent that you are not an affiliate (as defined in Rule 144(a)(1) under the U.S. Securities Act of 1933 as may be amended, modified or supplemented) of the issuer of any security held in any account opened hereby. You represent and warrant to Lehman Brothers that you are either (i) not (A) an employee benefit plan (an "ERISA Plan") as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or (B) subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or (ii) (A) an ERISA Plan or subject to ERISA or Section 4975 of the Code and (B) whose Investment Manager or General Partner is (and you covenant and agree that any successor Investment Manager or General Partner appointed by you will be) a Qualified Professional Asset Manager ("QPAM") as defined by the relevant prohibited transaction class exemption(s) issued pursuant to ERISA and you will provide Lehman Brothers with a QPAM Representation Letter.

2. APPLICABLE LAWS, RULES AND REGULATIONS; SEVERABILITY. All transactions under this Agreement shall be subject to the applicable laws, rules and regulations of all U.S. and, if applicable, non-U.S. federal, state and self-regulatory authorities, including, but not limited to, the rules and regulations of the Board of Governors of the Federal Reserve System of the United States and the constitution, rules and customs of the exchange or market (and clearing house) where such transactions are executed or settled. In the event of any conflict between any such present or future laws, regulations and rules and the terms of this Agreement, the provision(s) of this Agreement so affected shall be deemed modified or superseded to conform to such laws, regulations and rules, but the remaining provisions of this Agreement shall remain in full force and effect.

3. SECURITY INTEREST AND LIEN; REGISTRATION OF SECURITIES. As security for the payment and performance of all of your obligations and liabilities from time to time outstanding to any Lehman Brothers Entity, whether under this Agreement or otherwise, each Lehman Brothers Entity shall have a continuing lien and first priority security interest in all your Assets, defined as (i) all property in which you now have, or hereafter acquire an interest which is now or hereafter held by or through any Lehman Brothers Entity, including, but not limited to, any and all securities, accounts, instruments, documents, contract rights, contracts (including, but not limited to, open transactions, securities purchase or sale contracts, agreements to lend cash or securities, commodity contracts, futures contracts, forward contracts, repurchase agreements, swap agreements, contracts for differences or any other agreement, without regard to the form of such agreement which may include oral

agreements or agreements confirmed or signed by only one party to the agreement and agreements entered into or signed by a Lehman Brothers Entity on your behalf) (hereinafter "Contracts"), commercial paper and other securities, monies, deposit accounts and general intangibles (including all security entitlements in respect thereof, all income and profits thereon, all dividends, interest and other payments and distributions with respect thereto and all proceeds from any of the foregoing), and (ii) any and all rights, claims or causes of action you may now or hereafter have against any Lehman Brothers Entity. The continuing lien and first priority security interest shall apply to all such Assets, which from time to time may be deposited or credited to any account you may have with a Lehman Brothers Entity, be held or carried by a Lehman Brothers Entity for you, be due from a Lehman Brothers Entity to you, or be delivered to or in a Lehman Brothers Entity's possession or control for any purpose, including safekeeping. Such continuing lien and first priority security interest shall apply irrespective of whether or not Lehman Brothers has made advances in connection with such Assets, the number of accounts you have with Lehman Brothers or which particular Lehman Brothers Entity holds such Assets. You hereby acknowledge and agree that all such Assets held by or through any Lehman Brothers Entity are held as collateral by such Lehman Brothers Entity as agent and bailee for itself and all other Lehman Brothers Entities and, as such, each Lehman Brothers Entity shall comply with any orders or instructions originated by any other Lehman Brothers Entity with respect to or in connection with such collateral without your further consent. You and Lehman Brothers agree that all such Assets held in or credited to any account will be treated as financial assets under Article 8 of the Uniform Commercial Code as in effect in the State of New York (the "UCC") and that any account maintained by you with any Lehman Brothers Entity shall be a securities account under Article 8 of the UCC. In the event of a breach or default by you, a Lehman Brothers Entity shall have, in addition to the rights and remedies provided in this Agreement, all rights and remedies available to a secured creditor under the UCC and any other applicable law. You represent that all of the above-described Assets shall at all times be free and clear of all liens, claims and encumbrances of any nature other than the security interest created hereby. Assets consisting of securities shall be delivered in good deliverable form (or Lehman Brothers shall have the unrestricted power to place such securities in good deliverable form) in accordance with the requirements of the primary market for these securities. In addition, in order to satisfy any of your outstanding liabilities or obligations to any Lehman Brothers Entity, each Lehman Brothers Entity may, to the fullest extent permitted by law, at any time in its discretion and without prior notice to you, use, apply or transfer any and all securities or other property or Assets (including, without limitation, fully-paid securities and cash). You hereby agree that, except as otherwise specifically agreed in writing, each Lehman Brothers Entity may register and hold the securities and other property or Assets in your accounts in its name or the name of its designee. You shall execute such documents and take such other action as such Lehman Brothers Entity shall reasonably request in order to perfect its rights with respect to any of the Assets. In addition, you appoint Lehman Brothers as your attorney-in-fact to act on your behalf to sign, seal, execute and deliver all documents and do all such acts as may be required to realize upon any of Lehman Brothers' rights in the Assets.

4. BREACH, BANKRUPTCY OR DEFAULT. If you shall:

(i) breach, repudiate or default under this Agreement or any Contract with any Lehman Brothers Entity, whether heretofore or hereafter entered into;

(ii) make or repeat any misrepresentations in connection with this Agreement or any Contract with any Lehman Brothers Entity;

(iii) state that you will not perform any obligation to any Lehman Brothers Entity;

(iv) apply for, consent to or be the subject of an application or petition for the appointment of or the taking of possession by a receiver, custodian, trustee, liquidator or similar persons of yourself or of all of or a substantial part of your property;

(v) admit in writing your inability, or become generally unable, to pay your debts as such debts become due or give Lehman Brothers other grounds for insecurity, as determined by Lehman Brothers in its sole and absolute discretion (including, without limitation, death; mental incompetence; dissolution; the appointment of a receiver by or against you, any guarantor, co-signer or other party liable on or providing security for your obligations to any Lehman Brothers Entity or the attachment against your or such other party's account(s) with any Lehman Brothers Entity; or any indication of your refusal or inability to satisfy promptly any Margin Call (as defined below) or other obligation);

(vi) make a general assignment for the benefit of your creditors; or

(vii) file or be subject of the filing or entry of a petition or order for relief or be subject of the commencement of a proceeding regarding reorganization, bankruptcy, liquidation, dissolution or insolvency;

then, any such event shall constitute, at Lehman Brothers' election, a default by you under this Agreement and any or all Contracts you may then have with any Lehman Brothers Entity, whether heretofore or hereafter entered into. In the event of any such default, each Lehman Brothers Entity shall have all of the rights of a secured party upon default under the UCC and other applicable laws, rules and regulations, including, without limitation, the right, without prior notice to you, to sell any and all Assets in which you have an interest (including without limitation this Agreement and any Contract) held by or through any Lehman Brothers Entity (either individually or jointly with others), to buy any or all property which may have been sold short, to exercise any and all options and other rights, to accelerate, cancel, terminate, liquidate, close out and net the settlement payments and/or delivery obligations under any or all outstanding transactions and/or to purchase or sell any other securities or property to offset market risk, and to set off or offset any obligation owing by any Lehman Brothers Entity to you against any obligations owing by you to any Lehman Brothers Entity, after which you shall be liable to Lehman Brothers for any remaining deficiency, loss, costs or expenses incurred or sustained by Lehman Brothers in connection therewith. Such purchases and/or sales may be effected publicly or privately without notice or advertisement in such manner as Lehman Brothers may in its sole discretion determine. At any such sale or purchase, any Lehman Brothers Entity may purchase or sell the property to or from itself or third parties free of any right of redemption and you shall remain liable to Lehman Brothers for any deficiency; it being understood that a prior tender, demand or call of any kind from Lehman Brothers, or prior notice from Lehman Brothers, of the time and place of such sale or purchase shall not be considered a waiver of Lehman Brothers' right to buy or sell any securities, commodities or other property or Asset held by Lehman Brothers, or which you may owe to Lehman Brothers. In addition, each Lehman Brothers Entity shall have the right, at any time and from time to time, to set off and otherwise apply any and all amounts owing by such Lehman Brothers Entity to you or for your account against any and all amounts now or hereafter owing by you to any Lehman Brothers Entity (including, without limitation, any indebtedness in your accounts), whether matured or unmatured, fixed, contingent or otherwise and irrespective of whether any Lehman Brothers Entity shall have made any demand therefor. Lehman Brothers agrees to notify you of any such set-off and application, provided, however, that the failure to give such notice shall not affect the validity of any such set-off and application. You agree that any obligation of a Lehman Brothers Entity to you shall be subject to there being no breach, repudiation, misrepresentation or default (however characterized) by you which is continuing under any Contract with a Lehman Brothers Entity. You and Lehman Brothers intend this Agreement to be a master netting agreement.

5. ADEQUATE ASSURANCES. Subject to, and not as a limitation of, the rights of Lehman Brothers under this Agreement, if at any time Lehman Brothers has reasonable grounds for insecurity with respect to your performance of any of your obligations, Lehman Brothers may demand, and you shall give, adequate assurance of due performance within 24 hours, or within any shorter period of time Lehman Brothers demands that is reasonable under the circumstances. The adequate assurance of performance that may be demanded by Lehman Brothers may include, but shall not be limited to, the delivery by you of additional property as collateral.

6. EXECUTION FEES AND SERVICE CHARGES. You understand that your account(s) will be charged brokerage commissions or mark-ups/mark-downs in connection with the execution of transactions ("Execution Fees") and may be charged certain other fees for custody and other services furnished to you ("Service Fees"). You further understand that Execution Fees may be changed from time to time upon prior written notice to you and that Service Fees may be changed from time to time upon prior written notice to you and, in each case, you agree to be bound thereby.

7. AMOUNTS OWED; TRUTH-IN-LENDING. You hereby acknowledge receipt of Lehman Brothers' Truth-in-Lending disclosure statement. You understand that interest will be charged on any amount you owe in your account(s) in accordance with the methods described in such statement or in any amendment or revision thereto which may be provided to you. Any amount due which is not paid at the close of an interest period will be added to the opening balance for the next interest period.

8. COLLECTION AND OTHER ACCOUNT-RELATED COSTS. You hereby agree to pay, on demand, all reasonable costs, liabilities and damages incurred by Lehman Brothers (including, without limitation, costs of

collection, attorneys' fees, court costs and other expenses) in connection with (i) enforcing its rights hereunder, (ii) any investigation, litigation or proceeding involving your account or any property therein (including, without limitation, claims to such property by third parties), (iii) your use of or access to any Lehman Brothers or third-party system or (iv) Lehman Brothers' acting in reliance upon instructions, including, but not limited to, instructions transmitted via electronic means, including facsimile or electronic mail, from you or your authorized agents (including investment managers or advisers). In each case and whether or not demand has been made therefor, you hereby authorize Lehman Brothers to charge your account(s) for any and all such costs, liabilities and damages, including, without limitation, those incurred in connection with the liquidation of any of your Assets.

9. IMPARTIAL LOTTERY ALLOCATION. You agree that, in the event Lehman Brothers holds on your behalf securities in its name, in the name of its designee or in bearer form which are called in part, you will participate in the impartial lottery allocation system for such called securities in accordance with the rules of The New York Stock Exchange, Inc. or any other appropriate self-regulatory organization. When any such call is favorable, no allocation will be made to any account in which, to the knowledge of Lehman Brothers, any officer, director or employee of Lehman Brothers has any financial interest until all other customers have been satisfied on an impartial lottery basis.

10. SECURITIES EVENTS. Lehman Brothers shall inform you if Lehman Brothers becomes aware of the occurrence or prospective occurrence of any of the following with respect to any securities in your account(s): conversions, subdivision or consolidation; redemption; a takeover offer; calls, including calls on partly-paid securities and published calls; a capitalization issue; rights issue; distribution of income in the form of securities; or a certificate which may at a future date be exchanged for securities or an entitlement to acquire securities. Subject to Section 19 herein, if Lehman Brothers receives notice from you that you wish to act on any of the events referenced in this section and such notice is received by Lehman Brothers within a reasonable time for Lehman Brothers to act on such event, Lehman Brothers will act in accordance with your wishes. You represent that you review all prospectuses and offering statements that you may receive and understand the risks inherent with your securities transactions, including any risks associated with the above-described securities events.

11. VOTING RIGHTS. If any right to vote arises with respect to securities in your account, you may inform Lehman Brothers that you wish to exercise such right as you specify. Subject to Section 19 hereof, if Lehman Brothers receives this notice within a reasonable time to act, it will act in accordance with your wishes. If Lehman Brothers does not receive such timely notice from you, it will use its discretion to decide whether and how to vote such securities.

12. WAIVER, ASSIGNMENT AND NOTICES. Neither Lehman Brothers' failure to insist at any time upon strict compliance with this Agreement or with any of the terms hereof nor any continued course of such conduct on its part shall constitute or be considered a waiver by Lehman Brothers of any of its rights or privileges hereunder. Any purported assignment of your rights and/or obligations hereunder without obtaining the prior written consent of an authorized representative of Lehman Brothers shall be null and void. Each Lehman Brothers Entity reserves the right to assign any of its rights or obligations hereunder or under any Contract to any other Lehman Brothers Entity without prior notice to you. Notices and other communications to you (including, without limitation, Margin Calls) that are sent by electronic means, including facsimile or electronic mail, sent by express delivery service or mailed, in each case to the address or number provided by you, shall, until the respective Lehman Brothers Entity has received notice in writing of a different address or number, be deemed to have been personally delivered to you. Margin Calls may also be communicated orally, without subsequent written confirmation.

13. FREE CREDIT BALANCES. You hereby authorize Lehman Brothers to use any free credit balance awaiting investment or reinvestment in your account(s) in accordance with all applicable rules and regulations and to pay interest thereon at such rate or rates and under such conditions as are established from time to time by Lehman Brothers for such account(s) and for the amounts of cash so used.

14. RESTRICTIONS ON ACCOUNT. You understand that Lehman Brothers, in its sole and absolute discretion, may restrict or prohibit trading of securities or other property in your account(s) and may terminate your account(s), and you shall nevertheless remain liable for all of your obligations to the Lehman Brothers Entities under this Agreement or any Contract. In the event that Lehman Brothers, in its sole and absolute discretion, determines to

impose such restrictions on your account(s) due to credit, margin, legal, regulatory, money laundering or other concerns, Lehman Brothers shall be under no obligation to provide you with prior notice of such restriction.

15. CREDIT INFORMATION AND INVESTIGATION. You authorize Lehman Brothers, in its discretion, at any time and from time to time, to make or obtain reports concerning your credit standing and business conduct (including, but not limited to, obtaining audited account statements, if such are available). You may make a written request for a description of the nature and scope of the reports made or obtained by Lehman Brothers and the same will be provided to you within a reasonable period of time.

16. SHORT AND LONG SALES. In placing any sell order for a short account, you will designate the order as such and hereby authorize Lehman Brothers to mark the order as being "short". You are required to and will comply with all applicable rules and regulations relating to short sale transactions. In placing any sell order for a long account, you will designate the order as such and hereby authorize Lehman Brothers to mark the order as being "long". The designation of a sell order as being for a long account shall constitute a representation by you that you own the security with respect to which the order has been placed, that such security is not restricted under Rules 144 and/or 145 under the U.S. Securities Act of 1933 (as may be amended, modified or supplemented) or any other applicable law, rule or regulation and, as such, may be sold without restriction in the open market and that, if Lehman Brothers does not have the security in its possession at the time you place the order, you shall deliver the security by settlement date in good deliverable form or pay to Lehman Brothers any losses and expenses it may incur or sustain as a result of your failure to make delivery on a timely basis.

17. MARGIN ACCOUNTS. All Loans made hereunder are demand loans. You hereby agree to deposit and maintain such cash or collateral as margin in your margin accounts, if any, as Lehman Brothers may in its sole discretion require, and you agree to pay forthwith on demand any amount owing with respect to any of your margin accounts to satisfy Lehman Brothers' demand for such payment (a "Margin Call"). In addition, you further agree to deposit promptly and maintain such other collateral with Lehman Brothers as is required by any Contract you may have with any Lehman Brothers Entity. Upon your failure to make any such payment or deposit, or if at any time Lehman Brothers, in its sole discretion, deems it necessary for its protection, whether with or without prior demand, call or notice, Lehman Brothers shall be entitled to exercise all rights and remedies provided herein. No demands, calls, tenders or notices that Lehman Brothers may have made or given in the past in any one or more instances shall invalidate your waiver of the requirement to make or give the same in the future.

18. SECURITIES CONTRACTS. You acknowledge and agree that any positions in your account(s) shall be deemed "securities contracts" within the meaning of Sections 555 and 741(7) (as may be amended, modified or supplemented) of the U.S. Bankruptcy Code.

19. CONSENT TO LOAN OR PLEDGE OF SECURITIES IN MARGIN ACCOUNTS.

(a) Except as noted in subparagraph (b) below, within the limits of applicable law and regulations, you hereby authorize Lehman Brothers to lend either to itself or to others any securities held by Lehman Brothers in any of your accounts, to convey therewith all attendant rights of ownership (including voting rights and the right to transfer the securities to others), and to use all such property as collateral for its general loans. Any such property, together with all attendant rights of ownership, may be pledged, replended, hypothecated or rehypothecated either separately or in common with other property for any amounts due to Lehman Brothers thereon or for a greater sum, and Lehman Brothers shall have no obligation to retain a like amount of similar property in its possession and control. You hereby acknowledge that, as a result of such activities, Lehman Brothers may receive and retain certain benefits to which you will not be entitled. In certain circumstances, such loans, pledges, repledges, hypothecations or rehypothecations may limit, in whole or in part, your ability to exercise voting and other attendant rights of ownership with respect to the loaned or pledged securities. You agree to waive the right to vote, or to provide any consent or to take any similar action with respect to these securities in the event that the record date or deadline for such vote, consent or other action falls during the period of any such loan, pledge, replodge, hypothecation or rehypothecation.

(b) Unless otherwise agreed by Lehman Brothers and you, you will be entitled to receive all distributions, including, but not limited to, cash, stock dividends and interest payments, made on or in respect of any loaned, pledged, replended, hypothecated or rehypothecated securities which are not otherwise received by you, to the full

extent you would be entitled if the securities had not been loaned, pledged, repledged, hypothecated or rehypothecated.

20. OPTIONS POSITIONS. You represent and warrant not to enter into any purchase or sale of equity, debt, foreign currency or index put or call options without having read and fully understood the terms, conditions and risks as set out in the Characteristics and Risks of Standardized Options booklet and applicable supplements. You understand that short options positions are assigned on an automated random basis and may be assigned on the day written. You will notify Lehman Brothers of your intention to exercise listed options no later than two hours before the expiration time of the option (one hour in the case of an over-the-counter option). Failure to give such notice will constitute an abandonment of the option, in which case Lehman Brothers may, but shall be under no obligation to, exercise the option.

21. PRIME BROKERAGE SERVICES. Under the terms and conditions of this Agreement, LBI will act as a prime broker for you in accordance with the no-action letter of the Securities and Exchange Commission dated January 25, 1994, as such letter may be amended, modified or supplemented from time to time (the "SEC Letter") and the provisions set forth below:

(a) LBI will, subject to the terms and conditions of this Agreement, accept for clearance and settlement trades executed on your behalf by such executing brokers as you may designate from time to time and who have received LBI's prior approval and who have previously executed an agreement with LBI setting forth the terms and conditions under which such executing brokers will be authorized to accept orders from you for settlement by LBI (the "Executing Brokerage Agreement").

(b) LBI shall be responsible for settling trades executed on your behalf by your executing broker(s) and reported to LBI by you and your executing broker(s) provided that you have reported to LBI on trade date, by the time designated to you by LBI, all the details of such trades including, but not limited to, the contract amount, the security involved, the number of shares or the number of units and whether the transaction was a long or short sale or a purchase, and further provided that LBI has either affirmed or not "DK'd" ("indicated it does not know") and has not subsequently disaffirmed such trades. In the event that LBI determines not to settle a trade, LBI shall not have settlement responsibility for such trade and shall, instead, send you a cancellation notification to offset the notification sent to you under sub-paragraph (c) of this paragraph. You shall be solely responsible and liable to your executing broker(s) for settling such trade. In addition, LBI may be required to cease providing prime brokerage services to you in accordance with the Executing Brokerage Agreement.

(c) On the day following each transaction, LBI shall send you a confirmation of each trade placed with an executing broker in accordance within the SEC Letter based upon the information you provided to LBI. Any confirmations issued by LBI as prime broker shall identify the executing broker and provide you with the information required by the SEC Letter. Confirmations of the execution of orders and other activity in your account(s) which have been provided or made available to you by 10:00 a.m. (New York time) on the business day immediately following the trade date shall be conclusive if not objected to by 2:00 p.m. (New York time) on such business day or, if such reports are provided or made available to you after 10:00 a.m. (New York time) on such business day, then such confirmations shall be conclusive if not objected to within four (4) hours after such confirmations have been provided or made available to you. Monthly statements shall be sent to you in accordance with the SEC Letter. Information contained in monthly statements of account, to the extent not included in an activity report, shall be conclusive if not objected to within ten (10) days after such statements have been provided or made available to you. LBI may send communications to your address of record or another address provided to LBI in writing. All communications sent to such address, whether by mail, facsimile, telegraph, messenger, electronic means or otherwise, shall be deemed to have been given to you personally as of the date and time sent, whether actually received or not.

(d) In the event of: (i) the filing of a petition or other proceeding in bankruptcy, insolvency or for the appointment of a receiver by or against your executing broker, (ii) the termination of your executing broker's registration and the cessation of business by it as a broker-dealer, or (iii) your executing broker's failure, inability or refusal, for any reason whatsoever or for no reason at all, to settle a trade, and if LBI agrees to settle any trades executed on your behalf by such executing broker, regardless of whether LBI either affirmed or did not DK and did

not disaffirm such trades, you shall be solely responsible, and liable to LBI, for any losses arising out of or incurred in connection with LBI's agreement to settle such trades.

(e) You shall maintain in your account with LBI such minimum net equity in cash or securities as LBI, in its sole discretion, may require from time to time (the "Lehman Brothers Net Equity Requirements"), which shall in no event be less than the minimum net equity required by the SEC Letter (the "SEC Net Equity Requirements"). In the event your account falls below the SEC Net Equity Requirements, you hereby authorize LBI to notify promptly all executing brokers with whom it has an Executing Brokerage Agreement on your behalf of such event. Moreover, if you fail to restore your account to compliance with the SEC Net Equity Requirements within the time specified in the SEC Letter, LBI shall, without notice to you: (i) notify all such executing brokers that LBI is no longer acting as your prime broker and (ii) either not affirm or "DK" ("indicate that it does not know") all prime brokerage transactions on your behalf with a trade date after the business day on which such notification was sent. In the event: (i) your account falls below the Lehman Brothers Net Equity Requirements, (ii) LBI determines in its sole discretion that there would not be enough cash in your account to settle such transactions or that a maintenance Margin Call may be required as a result of settling such transactions, or (iii) LBI determines in its sole discretion that the continuation of prime brokerage services to you presents an unacceptable risk to Lehman Brothers taking into consideration all the facts and circumstances, then LBI may disaffirm all your prime brokerage transactions and/or cease to act as your prime broker. In any such case, LBI shall send a cancellation notification to you, and you understand that you must settle outstanding trades directly with the relevant executing broker and that you authorize LBI to provide the executing broker with any information useful to settle such trades. You further agree that LBI will not be bound to make any investigation into the facts surrounding any transaction to which you are a party and that immediately upon notice to you and, if required, to the executing brokers, LBI may cease acting as your prime broker.

(f) If you have instructed your executing broker(s) to send confirmations to you in care of LBI, as your prime broker, the confirmation sent by such executing broker is available to you promptly from LBI (once received), at no additional charge.

(g) If your account is managed on a discretionary basis, you hereby acknowledge that your prime brokerage transactions may be aggregated with those of other accounts of your adviser, according to your adviser's instructions, for execution by your executing broker(s) in a single bulk trade and for settlement in bulk by LBI. You understand that no part of any transaction may be allocated to any other account where such other account's net equity is below the minimum levels established in the SEC Letter and that, should such a net equity deficiency occur in any such other account, LBI must disaffirm the entire transaction. In the event any trade is disaffirmed, as soon as practicable thereafter, LBI shall supply your executing broker(s) with the allocation of the bulk trade, based upon information provided by your adviser.

(h) You hereby authorize LBI to disclose your name, address and tax I.D. number to your executing broker(s) to enable such executing broker to establish on its books an account for you to be used in the event transactions are disaffirmed by LBI.

(i) Lehman Brothers will not be responsible or liable for any acts or omissions of any executing broker or its employees. You understand that Lehman Brothers does not act as investment adviser or solicit orders, that Lehman Brothers does not advise prime brokerage customers, perform any analysis, or make any judgment on any matters pertaining to the suitability of any order, or offer any opinion, judgment or other type of information pertaining to the nature, value, potential or suitability of any particular investment.

(j) You agree to indemnify and hold Lehman Brothers harmless from any loss, claim or expense, including attorneys' fees, incurred by Lehman Brothers in connection with Lehman Brothers acting or declining to act as prime broker for you and to fully reimburse Lehman Brothers for any legal or other expenses (including the cost of any investigation and preparation) which Lehman Brothers may incur in connection with any claim, action, proceeding or investigation arising out of or in connection with this Agreement or any transactions hereunder.

(k) You represent and warrant that you are currently in compliance, and during the term of this Agreement will remain in compliance, with all applicable requirements of the SEC Letter, including, but not limited to, the requirement that you execute an agreement with each executing broker.

(l) The prime brokerage services hereunder shall be provided in a manner consistent with the SEC Letter.

22. LEGALLY BINDING. You hereby agree that this Agreement and all of the terms hereof shall be binding upon you and your estate, heirs, executors, administrators, personal representatives, successors and assigns. You further agree that all purchases and sales shall be for your account(s) in accordance with your oral or written instructions. You hereby waive any and all defenses that any oral instruction was not in writing as may be required by any applicable law, rule or regulation. With respect to any of your accounts maintained in connection with this Agreement, you hereby authorize Lehman Brothers to act and rely on any instructions (including, without limitation, instructions to transfer cash or securities, purchase or sell securities, enter into derivative or other transactions or borrow money or securities) received by Lehman Brothers from any of the persons listed on Exhibit A, as such list may be amended by you from time to time. In addition, you hereby authorize Lehman Brothers to act and rely on any instructions received by Lehman Brothers from any of your employees or agents (including any investment manager or adviser) that Lehman Brothers reasonably believes is authorized to so act on your behalf.

23. AMENDMENT. You agree that Lehman Brothers may modify the terms of this Agreement at any time upon prior written notice to you. By continuing to accept services from Lehman Brothers thereafter, you will have indicated your acceptance of any such modification. If you do not accept such modification, you must notify Lehman Brothers in writing; your account may then be terminated by Lehman Brothers, after which you will remain liable to Lehman Brothers for all outstanding liabilities and obligations. Otherwise, this Agreement may not be modified absent a written instrument signed by an authorized representative of Lehman Brothers.

24. GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED, AND THE CONTRACTUAL AND ALL OTHER RIGHTS AND LIABILITIES OF THE PARTIES DETERMINED, IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF.

25. JURISDICTION; WAIVER OF JURY TRIAL. The parties shall attempt in good faith to promptly resolve any dispute arising out of, relating to or in connection with this Agreement or any transactions hereunder by negotiations by executives of the parties who have the authority to settle the controversy. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably submits to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION IS HEREBY WAIVED BY ALL THE PARTIES TO THIS AGREEMENT.

26. WAIVER OF IMMUNITIES. Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets, all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) arbitration, (iv) relief by way of arbitration award, injunction, order for specific performance or recovery of property, (v) attachment of its assets (whether before or after judgment) and (vi) execution or enforcement of any judgment or arbitration award and irrevocably agrees, to the fullest extent permitted by applicable law, that it will not claim any such immunity.

27. TRANSFERS. Lehman Brothers shall have the right to transfer Assets between any account in order to satisfy any of your obligations to Lehman Brothers. When giving instructions to transfer Assets from your accounts to any bank or other entity, you agree that all such requests will have been approved by an authorized signatory and you agree to provide Lehman Brothers with an accurate account number designating the account to receive such Assets. You agree to indemnify and hold Lehman Brothers harmless from and against all liabilities arising from the provision of an inaccurate account number or any other liabilities arising as a result of the transfer at your request.

28. PROVISION OF DATA. With respect to any market data or other information that Lehman Brothers or any third party service provider provide to you, (i) Lehman Brothers and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect; (ii) Lehman Brothers and any such provider are not responsible or liable for any actions that you take or do not take based on such data or information;

(iii) you will use such data or information solely for the purposes set forth in this Agreement and any other agreement between us; (iv) such data or information is proprietary to Lehman Brothers and any such provider, and you will not retransmit or disclose such data or information to third parties except as required by applicable law or regulation; and (v) you will use such data or information solely in compliance with applicable laws, rules and regulations.

29. EXTRAORDINARY EVENTS. You agree that Lehman Brothers will not be liable for any loss caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, war (whether declared or undeclared), terrorist acts, insurrection, riots, fires, flooding, strikes, failure of utility services, accidents, adverse weather or other events of nature, including but not limited to earthquakes, hurricanes and tornadoes, or other conditions beyond Lehman Brothers' control. In the event that any communications network, data processing system, or computer system Lehman Brothers uses is rendered inoperable, Lehman Brothers will not be liable to you for any loss, liability, claim, damage or expense resulting, either directly or indirectly, therefrom.

30. LIMITATION OF LIABILITY. Lehman Brothers shall not be liable in connection with the execution, clearing, handling, purchasing or selling of securities, commodities or other property, or other action, except for gross negligence or willful misconduct on Lehman Brothers' part. You understand that certain securities may be held outside the United States by unaffiliated, foreign agent banks and depositories. Lehman Brothers will not be liable to you for any loss, liability or expense incurred by you in connection with these arrangements except to the extent that any such loss, liability or expense results from Lehman Brothers' gross negligence or willful misconduct. In no event will Lehman Brothers be liable for any special, indirect, incidental or consequential damages arising out of this Agreement.

31. HEADINGS; COUNTERPARTS. The headings of the provisions hereof are for ease of reference only and shall not affect the interpretation or application of this Agreement or in any way modify or qualify any of the rights provided for hereunder. This Agreement may be executed in counterparts, each of which shall be deemed an original.

32. TELEPHONE CONVERSATIONS. For the protection of both you and Lehman Brothers, and as a tool to correct misunderstandings, you hereby authorize Lehman Brothers, at Lehman Brothers' discretion and without prior notice to you, to monitor and/or record any or all telephone conversations or electronic communications between you and Lehman Brothers or any of Lehman Brothers' employees or agents. You acknowledge that Lehman Brothers may determine not to make or keep any of such recordings and that such determination shall not in any way affect any party's rights.

33. CUMULATIVE RIGHTS; ENTIRE AGREEMENT. The rights, remedies, benefits and protections afforded to each Lehman Brothers Entity under this Agreement and under any Contract you may have with any Lehman Brothers Entity, whether heretofore or hereafter entered into, are cumulative and in addition to any other rights, remedies, benefits and protections that any Lehman Brothers Entity may have. To the extent that the provisions of any Contracts you have with any Lehman Brothers Entity, whether heretofore or hereafter entered into, are inconsistent (whether the inconsistency be between the Contracts or within a single Contract), the conflict shall be resolved in favor of the provision which affords Lehman Brothers with the maximum rights, remedies, benefits or protections. You hereby appoint Lehman Brothers as your agent and attorney-in-fact to take any action (including, but not limited to, the filing of financing statements) necessary or desirable to perfect and protect the security interest granted herein or to otherwise accomplish the purposes of this Agreement. Except as set forth above, this Agreement represents the entire agreement and understanding between you and Lehman Brothers concerning the subject matter hereof.

34. CAPACITY TO CONTRACT; ANTI-MONEY LAUNDERING; AFFILIATIONS. You represent that you have the capacity and authority to enter into this Agreement. You represent to the best of your knowledge that you do not maintain or transact business for or with nor will you introduce individuals or entities to Lehman Brothers that the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") has listed as "Specially Designated Nationals and Blocked Persons" nor with any client in an embargoed country as determined by OFAC. Furthermore, you represent that you have conducted thorough due diligence with respect to all of your clients, and you do not know or have any reason to suspect that the monies used to fund the account have been or will be derived from or related to any illegal activities, including but not limited to, money laundering activities. You agree to

provide Lehman Brothers with any information that it may require in relation to compliance with any applicable money laundering regulations. Each representation or warranty made by you in this Agreement will be deemed to be repeated by you on each date on which a transaction occurs hereunder.

You represent that you are of legal age and that, unless you have notified Lehman Brothers to the contrary, neither you nor any member of your immediate family is: (i) an employee or member of any exchange, (ii) an employee or member of the National Association of Securities Dealers, Inc. or any of its affiliates, (iii) an individual or an employee of any corporation or firm engaged in the business of dealing, as broker or principal, in securities, options or futures or (iv) an employee of any bank, trust company or insurance company. If you are signing on behalf of others, you hereby represent that the persons(s) or entity(ies) on whose behalf you are signing is/are authorized to enter into this Agreement and that you are duly authorized to sign this Agreement and make the representations contained herein in the name and on behalf of such other person(s) or entity(ies) and you agree to indemnify and hold Lehman Brothers harmless from any claim or claims arising from your unauthorized execution of this Agreement on the behalf of such other person(s) or entity(ies). You hereby authorize Lehman Brothers to accept faxed copies of this or any other document or instruction as if it were the original and further to accept signatures on said faxes as if they were original.

PLEASE COMPLETE THIS INFORMATION AND SIGN THE APPROPRIATE SPACE BELOW:

THIS AGREEMENT IS DATED AS OF _____, 2007

Stonehill Offshore Partners LTD

Name of Customer

c/o Citco Fund Services LTD
P.O. Box 31106 SMB/ T Woodlaver
Corp. Center West Bay Road

BWI

Address

Country

Grand Cayman

City, State

Zip Code + 4

BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE THAT:

YOU HAVE RECEIVED A COPY OF THIS AGREEMENT AND AGREE TO ITS TERMS AND
CONDITIONS.

CUSTOMER
NAME:

Stonehill Offshore Partners LTD

Individual or Printed Name of Company

SIGNATURE:


Signature of Authorized Person

PRINT NAME:


John Motulsky, General Partner

*Printed Name and Title of Signatory or Name of General
Partner if Signer is a Partnership*

BY:

*Authorized Signatory and Title of General Partner if Above
Signer is a Partnership Otherwise Blank*

ACCEPTED AND AGREED TO:



Lehman Brothers Inc., as signatory for itself and as agent for the affiliates
named herein

9-10-07

EXHIBIT B



900 002 114

**CUSTOMER CLAIM FORM
LEHMAN BROTHERS INC.**

Stonehill Offshore Part Ltd.
Account# 732-40125
885 Third Avenue
30th Floor
885 3rd Ave., Fl. 30
New York, NY 10022-4834

Daytime Phone: (212) 739 7474
Email: c.wilson@stonehillcap.com
Contact Person: Chris Wilson
Taxpayer I.D. Number
(Social Security No.): not applicable

PLEASE NOTE

- A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT.
- TO BE ELIGIBLE FOR THE MAXIMUM PROTECTION AFFORDED UNDER THE SECURITIES INVESTOR PROTECTION ACT ("SIPA"), ALL CUSTOMER CLAIMS SHOULD BE RECEIVED BY THE TRUSTEE ON OR BEFORE JANUARY 30, 2009; THE TRUSTEE WILL DETERMINE WHETHER CLAIMS MEET THE STATUTORY REQUIREMENTS FOR "CUSTOMER" CLAIMS UNDER SIPA; INCLUSION OF A CLAIM OR CLAIM TYPE ON THIS CLAIM FORM IS NOT DETERMINATIVE OF CUSTOMER STATUS UNDER SIPA.
- THE DEADLINE FOR FILING ALL CLAIMS IS JUNE 1, 2009. NO CLAIM WILL BE ALLOWED IF IT IS RECEIVED AFTER THAT DATE.
- ALL CLAIMS ARE DATED AS OF THE DATE RECEIVED BY THE TRUSTEE.
- YOU MAY FILE YOUR CLAIM ELECTRONICALLY ONLINE AT WWW.LEHMANTRUSTEE.COM OR SEND YOUR COMPLETED AND SIGNED CLAIM FORM TO THE TRUSTEE VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED.
- IF YOUR ACCOUNT HAS BEEN TRANSFERRED TO ANOTHER BROKERAGE FIRM, BUT YOU BELIEVE YOU HAVE A CLAIM FOR PROPERTY OWED TO YOU BY LEHMAN BROTHERS INC., YOU MUST FILE A CLAIM TO PROTECT YOUR RIGHTS.
- LEHMAN BROTHERS INC. IS THE ONLY LEHMAN ENTITY THAT IS A DEBTOR IN THIS SIPA LIQUIDATION PROCEEDING. THIS CUSTOMER CLAIM FORM APPLIES ONLY TO LEHMAN BROTHERS INC. AND DOES NOT APPLY TO ANY OTHER LEHMAN ENTITY, INCLUDING ANY ENTITY IN A PROCEEDING UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE.

This claim form must be completed electronically online at www.lehmantrustee.com or mailed promptly, together with supporting documentation, to the following:

If by first class mail:

Lehman Brothers Inc. Claims Processing
c/o Epiq Bankruptcy Solutions, LLC
P.O. Box 6389
Portland, OR 97228-6389

If by overnight mail:

Lehman Brothers Inc. Claims Processing
c/o Epiq Bankruptcy Solutions, LLC
10300 SW Allen Blvd
Beaverton, OR 97005

1. CLAIM FOR MONEY BALANCES OR CASH AS OF SEPTEMBER 19, 2008:

- a. LBI owes me a credit or cash in the amount of: \$ See attached
- b. I owe LBI a debit or cash in the amount of: \$ _____
- c. If you wish to repay the debit balance listed in point b. above please insert the amount you wish to repay and attach a check payable to "James W. Giddens, Trustee for the SIPA Liquidation of Lehman Brothers Inc." If you wish to make a payment, **it must be enclosed** with this claim form.
- \$ _____

2. CLAIM FOR SECURITIES AS OF SEPTEMBER 19, 2008:

Please Do Not Claim Any Securities You Have In Your Possession

- | | <u>YES</u> | <u>NO</u> |
|---|-----------------|-----------|
| | (Circle Y or N) | |
| a. LBI owes me securities: | <u>Y</u> | N |
| b. I owe LBI securities: | Y | N |
| c. If yes to either, please list below (or in additional pages as necessary): | | |

Trade Date of Transaction (mm/dd/yyyy)	Name of Security	CUSIP	Number of Shares or Face Amount of Bonds	
			LBI Owes Me (Long)	I Owe LBI (Short)
	<u>See attached</u>			

If additional space is needed, attach additional pages providing the information in the exact format above.

3. COMMODITY FUTURES CLAIMS

YES NO

(Circle Y or N)

Do you have a claim based on a commodity futures account?

Y

N

If the answer to the above question is "yes," please state the amount, and explain the basis for your claim below, attaching additional pages and supporting documents as necessary:

Amount of Claim: _____

Basis for Claim: _____

WHEN COMPLETING SECTIONS 1 THROUGH 3 PLEASE KEEP IN MIND:

- If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate that your claim is an estimated claim.
- Proper documentation can speed the review, allowance, and satisfaction of your claim.
- Please enclose: copies of your last LBI account statement; purchase or sale confirmation slips; copies of checks that relate to the securities or cash you claim; and any other documentation or correspondence you believe will be of assistance in processing your claim.
- Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement.
- If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.

PLEASE CIRCLE THE APPROPRIATE ANSWER FOR ITEMS 4 THROUGH 11.

NOTE: IF "Y" IS CIRCLED FOR ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.

YES NO

(Circle Y or N)

4. Does your claim in any way relate to an entity other than Lehman Brothers Inc. (for example, Lehman Brothers Holdings Inc., or another Lehman subsidiary)?

Y

N

5. Has there been any change in your account since September 19, 2008?

Y

N

6. Are you or were you a party to a repurchase or reverse repurchase agreement, director, officer, partner, shareholder, lender to, or capital contributor of LBI? Y N
7. Are you related to, or do you have any business venture with, any of the persons specified in "6" above, or any employee or other person associated in any way with LBI? If so, give name(s). Y N
8. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of LBI? Y N
9. Is this claim being filed on behalf of a customer of a broker or dealer or bank? If so, provide documentation with respect to each customer on whose behalf you are claiming. Y N
10. Have you ever given any discretionary authority to any person to execute securities transactions with or through LBI on your behalf? Give names, addresses and phone numbers. Y N
11. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? If so, give name of that broker. Y N

Please list the full name, address, phone number, and email address of anyone assisting you in the preparation of this claim form:

Full name: _____

Address: _____

Phone number: _____

Email address: _____

If more than one person is assisting you, attach additional pages providing the information in the exact format above.

IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF UP TO \$50,000 OR IMPRISONMENT OF UP TO FIVE YEARS OR BOTH.

THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

Date January 26, 2009 Signature Christopher White
Date _____ Signature Managing member
Stonehill Capital Management, LLC
its advisor

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

UNITED STATES BANKRUPTCY COURT Southern District of New York

PROOF OF CLAIM

Name of Debtor:
Lehman Brothers, Inc.

Case Number:
08-01420 (JMP) SIPA

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):

☐ Check this box to indicate that this claim amends a previously filed claim.

Name and address where notices should be sent: 1000523153 LBI 12/1/2008 417060
Stonehill Offshore Part Lt
885 Third Avenue, 30th Floor
885 3rd Ave., Fl. 30
New York, NY 10022-4834

Court Claim Number: _____
(If known)

Telephone number: (212) 739-7474

Filed on: _____

Name and address where payment should be sent (if different from above):

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Telephone number:

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ see attached

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Customer Property
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: \$ _____ Annual Interest Rate: %

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

☐ Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().

Amount entitled to priority:

\$ _____

*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

Date:
JAN 26 2009

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Christopher Wilson, Managing Member, Stonehill Capital Management LLC
its Advisor

FOR COURT USE ONLY

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, Central District of California), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

If you would like to file your claim online please go to www.lehmantrustee.com and select the link for the online claim form. You will need the tracking number and mail id listed below to complete your claim online.

P0000L 0000™ -P02016 323746:5811 1613 A

Tracking Number: 423040 Mail ID: 417060



Stonehill Offshore Part Lt
885 Third Avenue, 30th Floor
885 3rd Ave., Fl. 30
New York, NY 10022-4834

Stonehill Capital Management LLC
885 Third Avenue, 30th Floor
New York, NY 10022
(212) 739-7474

Contacts: Chris Wilson, Managing Member, cwilson@stonehillcap.com
Steve Nelson, Chief Financial Officer, snelson@stonehillcap.com
Ann Kalter, Accounting Manager, akalter@stonehillcap.com

Date: January 26, 2009

RE: STONEHILL OFFSHORE PARTNERS LIMITED
Primary LBI account number: 732-40125

Customer Claims in Lehman Brothers Inc. (LBI)

Stonehill Offshore Partners Limited (SO) was one of the largest prime brokerage clients of LBI and LBI was SO's sole prime broker. The professionals representing the LBI estate have invested long hours and have been extremely accommodating in returning the vast majority of SO's securities, and Stonehill is very appreciative of those efforts to date. However a substantial list of securities has not yet been delivered, and substantial cash has accumulated at LBI as well, which elements comprise SO's customer claim. This customer claim is supported by voluminous information; the attachments evidencing this claim are intended to provide ample support, but SO has substantial additional information that can be provided upon request.

Securities

SO received extensive deliveries of its securities in late October and in late December/early January; however, additional securities remain at LBI. A list of securities still carried at LBI is attached as SO Exhibit A.

Cash

SO's cash claim is presented in several components for ease of understanding:

Component 1 – Error in Calculation at “True-Up” Date:

In late October, 2008, at the time of the initial delivery of securities from LBI to SO, LBI's representatives performed a comprehensive analysis of SO's account and

calculated SO's cash balance to be, as of September 19, 2008, a debit amount (owed to LBI) of \$2,248,173.04. SO Exhibit B includes the Summary, and Brokerage Account Statement generated by LBI and delivered to SO at that time. On October 21, 2008, SO paid that amount to the SIPC trustee, effectively zeroing out its cash balance as of September 19, 2008. However, LBI's calculation excluded "type 5" cash, and also excluded the market value of SO's short positions, but the two items do not offset equally. Closing out SO's short positions as of September 19, per the estate's October 14 protocol, results in the cost to close out shorts being less than the type 5 cash by \$257,571.75 (see SO Exhibit C.) LBI thus owes SO this value difference.

Component 1 totals \$257,571.75

Component 2 – "P&I" post September 19:

From September 19, 2008, through the date of this claim, Stonehill is aware of principal, interest and other payments on securities custodied at LBI that have flowed to LBI, as presented on Exhibit D.

Component 2 is comprised of the following currencies:

USD 6,173,078.91
GBP 5,262,140.69
EUR 122,442.03
CAD 164,576.11

Component 3 – Misdirected Wires on Private Investments:

After September 19, 2008, misdirected wires flowed to LBI with respect to non-custodied instruments (private investments.) In addition, certain foreign wires were sent to LBI just before LBI's proceeding, which were never posted to Stonehill's account (it was common for foreign wires to take several days to be posted, and the LBI proceeding interrupted the finalization.) Stonehill is aware of certain of these items which are listed on SI Exhibit E.

Component 3 is comprised of the following currencies:

USD 427,247.78
EUR 262.34
GBP 25,011.80

Component 4 – Cash Transfer in mid-September:

On September 17, 2008, two days before the SIPA proceeding, SO issued direction to LBI to transfer its securities and cash balance from LBI to an alternate prime broker. LBI

demanded that SO post cash collateral in order to effect the transfer, and SO delivered \$5,500,000, which was transferred by LBI to SO account number 732-41222-1. (SO's account statement as of September 19, 2008 depicts this cash as an investment in a money market fund, however, that Lehman fund on or about that date closed itself to new investment, and the funds remained in cash, as depicted in the September 30, 2008 statement.) This cash was excluded from the "true-up" described under Component 1 above, and still resides at LBI. SO Exhibit F provides supporting documentation.

Component 4 totals \$5,500,000.00

Component 5 – Incomplete Transaction re MAC Funding Purchase:

On trade date August 7, 2008 SI agreed to purchase from JP Morgan 2,000,000 MAC Funding 1 Ltd (cusip 55261B202) for consideration of \$655,000, by physical settlement. LBI debited cash in that amount from SI's account on August 12, 2008. Subsequent to the September 19 date of proceeding, we learned from JP Morgan that the trade had never settled: JP Morgan had not delivered the security to LBI and LBI had not paid the cash to JP Morgan. LBI must return that improperly debited cash to SO. Reference SO Exhibit G.

Component 5 totals \$655,000

Component 6 – Incomplete Transaction re US Power Generating Company:

On trade date March 27, 2008, Stonehill's two funds executed with LBI as the counterparty a negotiated sale of a private instrument: 15,130 shares of US Power Generating Company at a price of \$28 per share, for total consideration of \$423,640.00. Both SO and related account Stonehill Institutional Partners L.P. were the sellers; LBI was the buyer. The trade confirmations executed at the time are attached as Exhibit H (a). It was a private transaction subject to documentation, and had not closed by the September 19, 2008 date of the LBI proceeding.

At the time of the true-up described in Component 1, LBI personnel demanded that Stonehill Institutional Partners (SI) pay \$118,619.20 to the SIPC trustee in relation to this outstanding trade, which amount was paid on September 21, 2008. LBI misunderstood the nature of this transaction - LBI incorrectly treated this private, negotiated, unclosed trade as if it were a short sale by SI in which SI had failed to deliver the security, demanding collateral in the amount paid. This payment was improper and must be returned to SI. Please note that even though this trade was by both Stonehill funds (Institutional and Offshore, as evidenced by the trade confirmations), the payment demanded at time of true up was only demanded from SI, therefore this portion of this Component 6 claim is only claimed on behalf of SI, not SO, and is recounted here only for fullness of disclosure.

A second element of the claim arises from LBI's failure to close this negotiated trade. The current market value of US Power Gen stock is \$6 per share (see Exhibit H (b)); LBI's failure to close has cost Stonehill \$22 per share, times 8,730 shares (SO's portion of the trade), equals \$192,060.00.

Component 6 totals \$192,060.00

Component 7 – Incomplete Transaction re Zarlink Semiconductor common:

On August 15 and August 20, 2008, SO purchased shares in Zarlink Semiconductor with purchase prices of CAD 5,148.78 and CAD 16,936.56, for a total of CAD 22,085.34. JP Morgan, the clearing broker on the other side of the trade, was unable to settle prior to September 19, 2008. However, LBI debited SO's cash in these amounts at the time of trade and never returned the funds to SO. Exhibit I provides further detail.

Component 7 totals CAD 22,085.34

Component 8 – Forward Sales of Foreign Currencies:

Stonehill's portfolio included investments denominated in foreign currencies. To hedge such exposure, Stonehill routinely executed under its prime brokerage agreement with LBI forward sales of foreign currencies. Stonehill believes that no other Lehman entity other than LBI was involved in these transactions. SO had numerous foreign currency transactions open as of September 19, 2008, which were in a gain position because the dollar had strengthened against the foreign currencies during the term of the contracts. A brokerage statement listing the transactions, and their market values, and Stonehill's summary of that brokerage statement for ease of understanding, is SO Exhibit J.

Component 8 totals \$6,135,929.26

Component 9 – Cash Applied Late re Sale of Boston Gen:

On trade date August 1, 2008, SO executed with a third party (Kelts LLC) a negotiated sale of a private instrument: 2,000,000 EBG Holdings bank debt (aka Boston Gen) for a total consideration of \$1,788,283.65. The trade confirmation executed at the time is attached as SO Exhibit K(a). The transaction closed on August 26, 2008 and Kelts funded the purchase price to LBI (see closing documents SO Exhibit K(b).) LBI acknowledged receipt, but failed to post the cash to SO's account until October 10, 2008, (see email correspondence attached as SO Exhibit K(c)). Therefore this cash was excluded from the calculation done at the time of the "true-up" discussed under Component 1 above, and LBI owes this cash to SO.

Component 9 totals \$1,788,283.65

Component 10 – Interest on Accumulated Cash Balances:

If the court determines it appropriate, interest may be payable to SO on the accumulated cash balances which have resided at LBI. Stonehill cannot estimate the amount absent direction regarding the appropriate interest rates and a determination of the dates and amounts of funds received by LBI on SO's behalf.

The amount of this Component 10 claim cannot be quantified without direction from LBI and is therefore estimated.

Component 11 – Other Post Date of Claim and Unknown Activity:

Other amounts may have flowed into LBI with respect to SO's custodied securities of which we are not currently aware, and it is certain that amounts will continue to flow to LBI on securities which continue to be carried at LBI after the date of this claim. SO includes these presently unquantifiable amounts in its claim. As part of this claim, SO requests that LBI provide an accounting from September 19, 2008 forward of any cash items received or due with respect to custodied securities or other customer property of SO.

With regard to private investments, SO has no comprehensive way of determining what payments have flowed into LBI referencing Stonehill's account number or name. Considering Stonehill's distressed investing strategy, Stonehill's portfolio includes many private instruments which have irregular and unpredictable distribution dates, often without notice to us other than information conveyed by the wire transfer itself. As part of this claim, SO requests that LBI provide an accounting from September 19, 2008 forward of any cash items referencing any of the Stonehill accounts, and any Stonehill entity name, and includes all such presently unquantifiable amounts in its claim.

The amount of this Component 11 claim cannot be quantified and is therefore estimated.

End of Document

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MARGIN SUMMARY
COB
9-18-08

TOTAL COLLATERAL

TOTAL LMV TYPE 1 LONG POSITIONS (US\$)	266,659,029.00
TOTAL LMV TYPE 1 LONG POSITIONS (C\$ value converted to US\$)	12,599,576.53
TOTAL LMV TYPE 1 LONG POSITIONS (BP value converted to US\$)	1,698,499.33
TOTAL LMV TYPE 1 LONG POSITIONS (EM value converted to US\$)	2,724,187.15
TOTAL LMV TYPE 1 LONG POSITIONS (JY value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (US\$)	33,123,055.72
TOTAL LMV TYPE 2 LONG POSITIONS (C\$ value converted to US\$)	349,136.76
TOTAL LMV TYPE 2 LONG POSITIONS (BP value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (EM value converted to US\$)	0.00
TOTAL LMV TYPE 2 LONG POSITIONS (JY value converted to US\$)	0.00

TOTAL USD DELIVERABLE COLLATERAL 299,782,084.72

TYPE 1 CASH (US\$)	230,007.94
TYPE 1 CASH C\$ (value converted to US\$)	0.00
TYPE 1 CASH BP (value converted to US\$)	0.00
TYPE 1 CASH JY (value converted to US\$)	0.00
TYPE 1 CASH EM (value converted to US\$)	0.00
TYPE 2 CASH (US\$)	0.00
TYPE 2 CASH C\$ (value converted to US\$)	0.00
TYPE 2 CASH BP (value converted to US\$)	134,366.80
TYPE 2 CASH JY (value converted to US\$)	0.00
TYPE 2 CASH EM (value converted to US\$)	0.00

TOTAL USD CASH COLLATERAL 230,007.94

TOTAL EXPOSURES	
TYPE 2 DEBIT BALANCE	531,364.02
TYPE 2 (C\$) DEBIT BALANCE	1,936,073.34
TYPE 2 (EM) DEBIT BALANCE	145,110.42

TOTAL EXPOSURE 2,612,547.78

TOTAL COLLATERAL NEEDED TO COVER EXPOSURE	2,248,173.04
TOTAL VALUE OF COLLATERAL AVAILABLE FOR DELIVERY	314,905,311.44
TOTAL CASH AVAILABLE FOR PAYMENT	0.00

**Note: Proceeds generated from the close out of shorts will result in a cash in lieu claim

[illegible]

CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93763		
TC	LDA	RR: H01 STONEHILL	OFFSHORE	CURR-CODE: 000	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	043008	LONG/SHORT(-)	SECURITY DESCRIPTION		P2006N1020	1.47292H	164,674	164,674
12	031808	111,801.0000	WINGCAPEX SA-ORD		C060316 SB	111,801.0000	0	0
12	031808	36.0000	AP I PAR		2434571080	0.00000H	0	0
12	031808	880,395.0000	DECISIONONE CORP NEW		D004752 SB	36.0000	0	0
12	031808	880,395.0000	MMFRONTIERA COPPER CORPORATION		3590431060	1.53675	1,352,947	1,352,947
12	092707	50,913.0000	MMGUANGDONG ALLIANCE		F104640 SB	880,395.0000	0	0
12	092707	19,346.0000	SHS		G418151040	0.00000H	0	0
12	111607	11,911.0000	MMNGH WATER SUPPLY HL		G005001 SK	50,913.0000	0	0
12	091608	402,500.0000	SHS		G385411010	0.00000H	0	0
12	091608	402,500.0000	WTS ICG COMMUNICATIONS INC		G005020 SK	19,346.0000	0	0
12	031808	51,750.0000	HOVANIAN ENTERPRISES INC-CL A		H011304 SB	11,911.0000	0	0
12	091608	2,718,868.0000	RIS KAISER GOVT PROGRAMS INC		H394718 SB	9.05000	3,642,625	1,821,312
12	091608	44,482.0000	PUT RT PUR PRD KAISER GROUP		4830581110	402,500.0000	0	0
12	090208	2,000,000.0000	CGH 144A		K002715 SB	51,750.0000	0	0
12	060608	346,623.0000	LEHMAN BROS HLDS INC		49373X1030	0.00000H	0	0
12	031808	75,745.0000	DEP SH REPSTG 1/100TH 7.95%		K003958 SB	2,718,868.0000	0	0
12	092607	1,341,254.0000	MMHMAC FUNDING I LTD		52520W3170	0.11000H	4,893	4,893
12	092607	11,483,635.0000	PRIN PROTECTED SECS ACCREDITED		L008500 SB	0.00000H	0	0
12	092607		NEENAH ENTERPRISES INC		55261B2020	44,482.0000	0	0
12	092607		WTS NEENAH ENTERPRISES INC		M014518 SB	2,000,000.0000	537,265	537,265
12	092607		PATENT LITIGATION TR		N009197 SB	346,623.0000	0	0
12	092607		BENEFICIAL TRUST INTERESTS		64007P1030	1.55000H	0	0
12	092607		MMHPT SIERAD PRODUCE TBK		64007P1110	0.00000	0	0
12	092607		SHS SERIES A		N009546 SB	75,745.0000	0	0
12	092607		PET INC		7030441070	0.00050H	26	26
12	092607		MMRETAIL HOLDINGS N V		P011578 SB	53,071.0000	0	0
12	092607		SUNSHINE MNG & REFINO COMPANY		V7144Y1340	0.00532H	377,532	377,532
12	092607		PAR 70.01		P017046 SB	70,964,707.0000	0	0
12	092607				69336V1010	3.99000	535,693	535,693
12	092607				P019436 SB	134,259.0000	402,777	402,777
12	092607				N741081060	8.00000H	10,730,032	10,730,032
12	092607				R005483 SB	1,341,254.0000	0	0
12	092607				8678336000	0.00000H	0	0
12	092607				S011728 SB	11,483,635.0000	0	0

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93764	
732-40125	RR: H01 STONEHILL	CURR-CODE: 000					
TC LDA	LONG/SHORT(-)	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT	
092607	5,000.0000	MEMSIDEX CREDITOR TRUST	6811701240	0.0000H	0	0	
031808	233,100.0000	TR CTF SER B	5015075 SB	5,000.0000	3,962	3,962	
091708	9,200.0000	IDFX INTERACTIVE INC	88553X1030	0.01700H	1,155,680	346,104	
031808	244,444.0000	NEWTRANSCOCEAN INC	1001118 SB	233,100.0000	0	0	
031808	13,000,000.0000	NEWTRANSCOCEAN INC	G900731000	125.40000H	0	0	
030908	45,471.0000	COM 144A	88605P1080	9,200.0000	0	0	
091608	92,000.0000	MANTELEGLOBE CANADA INC	T010488 SB	244,444.0000	0	0	
051508	187.0000	TEMP 8X 10/23/2026	87941T9720	0.0000H	0	0	
031808	201,455.0000	NEWTHUNDERBIRD RESORTS INC	T106832 SB	13,000,000.0000	250,090	250,090	
091608	5,520.0000	US AIRWAYS GROUP INC	G885761060	5.50000H	727,720	218,316	
091708	2,091,544.0000	NEWTHUNDERBIRD RESORTS INC	T106117 SB	45,471.0000	0	0	
092607	120,000.0000	NEWTHUNDERBIRD RESORTS INC	90361W1080	7.9100H	0	0	
092607	500,000.0000	NEWTHUNDERBIRD RESORTS INC	U003620 SB	92,000.0000	187	187	
092607	7,600,000.0000	NEWTHUNDERBIRD RESORTS INC	G9364Q7110	1.00000H	0	0	
031808	195,294.0000	NEWTHUNDERBIRD RESORTS INC	U006215 SB	187.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	94769A1190	0.0000H	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	W003685 SB	201,455.0000	554,760	554,760	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	9393228140	1,849,200	1,024,856	1,024,856	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	W005336 SB	0.4300H	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	9891391000	2,091,544.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	Y001713 SB	0.0000H	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	36099AC100	120,000.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	38BWTX8 SB	0.0000H	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	64999B190	500,000.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	38BZCT2 SB	500,000.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	13077Y9A60	4.00000H	304,000	304,000	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	3006857 SB	7,600,000.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	607168AY70	0.00000H	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	3661870 SB	195,294.0000	0	0	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	12560PEA50	99.31400H	5,462,270	1,638,681	
092607	5,500,000.0000	NEWTHUNDERBIRD RESORTS INC	58B0TK4 SB	5,500,000.0000	0	0	

08-13555-mg Doc 43335-1 Filed 02/27/14 Entered 03/27/14 16:03:17 Exhibit 12

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TC LDA	RR: H&I STONEHILL	SECURITY DESCRIPTION	CURR-CODE: 000	CUSIT/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12 031808	LONG/SHORT(-)	STANFIELD VICTORIA FIN LTD MTN	85431AFH0	5BBSB4 SB	0.0000H	0	0
	550,000.0000	VR 032406-032509			550,000.0000		
12 092507	29,260,000.0000	DUE 03/25/2009		2284499A40 SB	0.0000	0	0
		SR SUB NOTES - ESCROW CUSIP-		5BBSJQ7 SB	29,260,000.0000	0	0
12 090208	6,500,000.0000	DUE 09/01/2005 11.000%		65753MAB60 SB	0.0000H	0	0
		MMMAC CAPITAL LTD		5BBSLB4 SB	6,500,000.0000	0	0
12 060308	460,000.0000	DUE 07/24/2017		64007LAR70 SB	76.62500	352,475	158,613
		MEENAH CORP		5BBSVC2 SB	460,000.0000		
		SR SECND NT					
12 071008	3,450,000.0000	DUE 01/01/2017 9.500%		36186KAD70 SB	37.9725H	1,310,052	1,310,052
		GMACH HOME EQUITY LOAN TRUST		5BBSKVB8 SB	3,450,000.0000		
		MTGPC/SERIES 2007-HE1 A-4-VAR					
12 122007	6,050,000.0000	DUE 08/25/2037 5.952%		55265AANI0 SB	0.0000	0	0
		MAC CAPITAL LTD		5BBSND6 SB	6,050,000.0000		
		SER 2007-1 CL B-2L 144A/3C7					
		DUE 07/26/2023 7.045%		36186LAG80 SB	46.66422H	1,609,915	1,609,915
		GMACH HOME EQUITY LN TR		5BBSQTY6 SB	3,450,000.0000		
		SERIES 2007-HE2 CLASS A6					
		DUE 12/25/2037 6.249%		36186LAB90 SB	48.83500H	1,720,906	1,720,906
		GMACH HOME EQUITY LN TR		5BBSQIZ6 SB	3,523,920.0000		
		SERIES 2007-HE2 CLASS A2					
		DUE 12/25/2037 6.054%		36186LAD50 SB	32.07716H	5,828,423	5,828,423
		GMACH HOME EQUITY LN TR		5BBSQIZ9 SB	18,170,000.0000		
		SERIES 2007-HE2 CLASS A4					
		DUE 12/25/2037 6.424%		36186LAC70 SB	48.54300H	7,480,476	7,480,476
		GMACH HOME EQUITY LN TR		5BBSQVB1 SB	15,410,000.0000		
		SERIES 2007-HE2 CLASS A3					
		DUE 12/25/2037 6.193%		575379AE20 SB	23.00000H	1,534,100	1,534,100
		MASONITE CORP		5BBSRZC1 SB	6,670,000.0000		
		SR SUB NT					
		DUE 04/06/2015 11.000%		853763AA80 SB	93.37500	944,955	283,486
		STANDARD PACIFIC CORP		5BBSCLN9 SB	1,012,000.0000		
		CVT SENIOR SUB NOTES					
		DUE 10/01/2012 6.000%		69337VAE40 SB	80.37500H	11,310,958	11,310,958
		PRH MORTGAGE TRUST		5BBSCLC0 SB	17,236,000.0000	AMORTIZED AMOUNT	14072,732.41
		SER 2007-SLI CLASS TAGS 144A					
		DUE 12/25/2027 6.600%		68439CAN00 SB	0.00000H	0	0
		STANFIELD VICTORIA		5BBSCLJ0 SB	1,150,000.0000		
		EURO MEDIUM TERM NOTE					
		DUE 03/28/2008					

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732-40125	RR: H&I STONEHILL	OFFSHORE	CURR-CODE: 000	PRICE	MARKET VALUE	MARGIN REQUIREMENT	
TC LDA	LONG/SHORT(-)	SECURITY DESCRIPTION	CUSIP/SEC				
12 080408	26,875,000.0000	RESIDENTIAL CAP LLC	76114AE20	62.00000H	16,662,500	16,662,500	
		SR SECD NT	5BDQMP4 SB	26,875,000.0000			
061308	4,600,000.0000	DUE 05/15/2010 8.500%	85431AJM00	0.00000	0	0	
		STANFELD VICTORIA FIN LTD	5BDHSQ5 SB	4,600,000.0000			
090208	7,625,000.0000	MEDIUM TERM NTS144A 3C7					
		DUE 01/25/2008					
		CAPMARK FINL GROUP INC SR NT	140661AD10	76.93300	5,866,141	1,759,842	
		FLT 10	5BDKTR1 SB	7,625,000.0000			
081108	2,294,000.0000	DUE 05/10/2010 3.452%	98961UAJ50	0.00000H	0	0	
		ZIFF DAVIS MEDIA INC	5BDNVY1 SB	2,294,000.0000			
		SR SECD NT FLTG RATE NEW					
071808	9,085,000.0000	DUE 05/01/2012	9896SC9910	0.00000H	0	0	
		ZIFF DAVIS MEDIA INC	5BDNVZ6 SB	9,085,000.0000			
		SR SECD NT - ESCROW CUSIP -					
081208	201,000.0000	DUE 05/01/2012	612MNTBA90	0.00000	0	0	
		MONTANA POWER CO	5BDQMJ0 SB	201,000.0000			
		- TENDER OFFER -					
080808	340,000.0000	DUE 12/21/2026	612MNT9C40	0.00000	0	0	
		MONTANA POWER CO	5BDQNT2 SB	340,000.0000			
		- CONTRA CUSIP -					
082008	197,000.0000	DUE 12/23/2026	612MNT9860	0.00000	0	0	
		MONTANA POWER CO	5BDQPD8 SB	197,000.0000			
		- TENDER OFFER -					
081108	11,676,000.0000	DUE 12/20/2006	66899ABC60	0.00000	0	0	
		CB NORTHWESTERN CORP	5BDQSC5 SB	11,676,000.0000			
		- CONTRA CUSIP -					
082008	16,863,000.0000	DUE 03/15/2007 7.075%	66899ABF80	0.00000	0	0	
		NORTHWESTERN CORPORATION	5BDRLG4 SB	16,863,000.0000			
		SENIOR DEBENTURE					
		DUE 11/15/2028 6.950%					
		NORTHWESTERN CORP	66899ABH40	0.00000	0	0	
		- CONTRA CUSIP -	5BDXBS2 SB	7,528,000.0000			
081108	7,528,000.0000	DUE 03/15/2012 8.750%	9262G0AL30	0.00000	0	0	
		VICTORIA FIN LTD 144A VR	5BFRPV0 SB	4,950,000.0000			
		090908-121208					
091208	4,950,000.0000	DUE 12/12/2006	9262G0AF60	0.00000	0	0	
		VICTORIA FIN LTD 144A VR	5BFRBQ5 SB	1,100,000.0000			
		090908-021709					
031808	4,644,999.0000	DUE 02/17/2009	393505UY60	0.00000H	0	0	
		GREEN TREE FINL CORP	5C48250 SB	4,644,999.0000	AMORTIZED AMOUNT	2614,347.94	
		SER 1997-4 MFD HSG SR/SUB					
		DUE 02/15/2029 7.730%					

[illegible]

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 95768	
TC	LD	RR: H&I STONEHILL	SECURITY DESCRIPTION	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	031808	18,501,000.0000	PAP HEALTHCARE CORPORATION	693364AC70	0.00000H	0	0
			SUB DEB CV	5002347 SB	18,501,000.0000	0	0
			DUE 12/15/2002				
			MEMPOLLY PECK INTERNATIONAL	67156AH20	0.00000H	0	0
			DUE 01/03/1997	5018341 SB	10,815,000.0000	0	0
			ESC COMDISCO INC	2003368R90	0.00000H	0	0
			NOTE - ESCROW -	5030910 SB	1,450,000.0000	0	0
			DUE 01/15/2003				
			IONICA PLC	462213AJ80	0.00000H	0	0
			SR NOTE	5033225 SB	3,000,000.0000	0	0
			DUE 08/15/2006				
			ESC KITTY HAWK INC	4983269C30	0.00000H	0	0
			SR SECD NTS	5037926 SB	11,530,000.0000	0	0
			DUE 11/15/2004				
			WOLVERINE TUBE INC	978093AE20	92.00000	888,720	888,720
			SENIOR NOTE SER B	5042652 SB	966,000.0000	0	0
			DUE 04/01/2009				
			CENTRAL TRACTOR FARM & COUNTRY	155560AA30	0.00000H	0	0
			INC SR NOTE	5046016 SB	2,540,000.0000	0	0
			DUE 04/01/2007				
			IONICA PLC	462213AK50	0.00000H	0	0
			SENIOR DISC NOTES	5051503 SB	3,000,000.0000	0	0
			DUE 05/01/2007				
			KEY PLASTICS INC	493137AD50	0.00000H	0	0
			SR SUB NOTE SER B	5065089 SB	1,650,000.0000	0	0
			DUE 03/15/2007				
			PRATAMA DATACOM ASIA	739731AB30	0.00000H	0	0
			ACCREDITED INVS	5070317 SB	500,000.0000	0	0
			DUE 07/15/2005				
			ENERGY GROUP OVERSEAS BV	292689AC00	32.50000H	6,136,000	1,888,000
			GTD NOTES 7.375% 10/9/98	5070867 SB	18,880,000.0000	0	0
			DUE 10/15/2017				
			ENERGY GROUP OVERSEAS BV	292689AD80	32.50000H	9,955,725	3,063,300
			GTD NT	5071495 SB	30,633,000.0000	0	0
			DUE 10/15/2027				
			MRG ENERGY INC	629377AD40	0.00000H	0	0
			SR NOTE	5075991 SB	34,450,000.0000	0	0
			DUE 06/15/2007				
			READ RITE CORP	755246AA30	0.00000H	0	0
			CONV SUB NOTES	5077083 SB	10,350,000.0000	0	0
			DUE 09/01/2004				

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93769	
732-40125	RR: H81 STONEHILL	CURR-CODE: 000					
12 012908	LONG/SHORT(-)	SECURITY DESCRIPTION		CUSIP/SEC		PRICE	
12 012908	5,550,000.0000	***SOUTHEAST BANKING CORP		XS0935970		0.00000	
12 031808	7,125,000.0000	STAMPED CERTIFICATES		5093597		5,550,000.0000	
12 111607	20,005,000.0000	DUE 11/12/1997 5.250%		92326YAD10		0.00000H	
12 031808	70,000,000.0000	DUE 07/01/2005 9.500%		5102085		7,125,000.0000	
12 031808	3,092,000.0000	DUE 10/15/2004 9.375%		537902AC20		0.00000	
12 031808	5,006,000.0000	DUE 10/01/2007 14.000%		5109706		20,005,000.0000	
12 031808	2,410,000.0000	DUE 06/15/2007 10.250%		15115MAL50		0.00000H	
12 031808	16,153,000.0000	DUE 12/18/1996		5109824		70,000,000.0000	
12 091708	12,650,000.0000	DUE 10/15/2002 5.750%		247701AB10		0.00000H	
12 092607	16,090,000.0000	DUE 08/26/2011 11.602%		5115626		3,092,000.0000	
12 031808	1,000,000.0000	DUE 03/20/2049 6.250%		262497AG50		0.00000H	
12 031808	56,450,000.0000	DUE 07/15/2005 11.250%		5123009		5,004,000.0000	
12 031808	24,440,000.0000	DUE 03/15/2008 10.000%		XS51233170		0.00000	
12 031808	83,989,000.0000	DUE 06/15/2003 5.500%		5123317		2,410,000.0000	
12 031808		DUE 02/15/2005 10.000%		488035AC00		0.00000H	
12 031808				5125334		14,153,000.0000	
12 031808				13134YAA50		107,500,000H	
12 031808				5128805		12,650,000.0000	
12 031808				671536AF60		0.00000H	
12 031808				5131393		18,090,000.0000	
12 031808				462691AA60		0.00000H	
12 031808				5132068		1,000,000.0000	
12 031808				67703AA070		0.00000H	
12 031808				5142263		56,450,000.0000	
12 031808				468035AE60		0.00000H	
12 031808				5142368		24,440,000.0000	
12 031808				74437CAB70		0.00000H	
12 031808				5142821		83,989,000.0000	
12 031808						AUTHORIZED AMOUNT 72186,756.53	

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93770	
732-40125	RR: H81 STONEHILL	SECURITY DESCRIPTION	CURR CODE: 000	PRICE	MARKET VALUE	MARGIN REQUIREMENT	
TC LDA	LONG/SHORT(-)	INSILCO HOLDING CO	457661AA40	0.00000H	0	0	
12 031808	8,250,000.0000	SR DISC NT	5143514	8,250,000.0000	0	0	
12 092507	16,275,000.0000	DUE 08/15/2008 14.000%	H7110NAD50	12.17100H	1,960,630	594,249	
12 031808	24,385,000.0000	SMSAIR	5144489	16,275,000.0000	0	0	
12 031808	27,500,000.0000	DUE 07/07/2005 0.125%	74972EAC20	0.00000H	0	0	
12 031808	100,930,000.0000	MEMRSL COMMUNICATION PLC	5145204	24,385,000.0000	0	0	
12 031808	50,420,000.0000	CHS ELECTRONICS INC	12542AAB30	0.00000H	0	0	
12 072208	6,705,304.0000	SENOR NOTES	5147251	27,500,000.0000	0	0	
12 031808	25,057,250.0000	DUE 04/15/2005 9.875%	15133CAC50	0.00000H	0	0	
12 031808	23,417,000.0000	MMCENTAUR MINING & EXPL LTD	5150557	100,930,000.0000	AMORTIZED AMOUNT 89870,352.00	0	
12 0522908	76,891,000.0000	SENOR SECND NOTE	302088AB50	0.00000H	0	0	
12 031808	19,560,000.0000	DUE 12/01/2007 11.000%	5158280	50,420,000.0000	0	0	
12 031808	34,270,000.0000	EXODUS COMMUNICATIONS INC	963150AA50	53.75000H	3,604,100	1,081,230	
12 031808	25,057,250.0000	SR NTS	5169853	6,705,304.0000	0	0	
12 031808	23,417,000.0000	WHEELING PITTSBURGH STL CORP	766490AA30	0.00000H	0	0	
12 0522908	76,891,000.0000	SR SECND NT	5173374	34,270,000.0000	0	0	
12 031808	19,560,000.0000	SAFETY KLEEN SERVICES INC	629377AM20	0.00000H	0	0	
12 031808	25,057,250.0000	SR SUB NOTE	5174451	25,057,250.0000	0	0	
12 031808	23,417,000.0000	NRG ENERGY INC	NS639BAAB0	0.00000H	0	0	
12 0522908	76,891,000.0000	SENOR DEB	5196287	23,417,000.0000	0	0	
12 031808	19,560,000.0000	DUE 05/15/2006 6.500%	74437CAD30	0.00000H	0	0	
12 031808	27,850,000.0000	MMSAIR GROUP FINANCE B V	5200900	76,891,000.0000	AMORTIZED AMOUNT 65681,945.35	0	
12 031808	34,450,000.0000	DUE 06/08/2006 4.375%	92923CAM60	39.00000H	7,628,400	7,628,400	
12 031808	27,850,000.0000	PSINET INC	5214313	19,560,000.0000	0	0	
12 031808	34,450,000.0000	SR NTS	81375BAJ10	0.00000H	0	0	
12 031808	27,850,000.0000	DUE 11/01/2008 11.500%	5216675	27,850,000.0000	0	0	
12 031808	34,450,000.0000	MCI COMMUNITIES INC	629377AE20	0.00000H	0	0	
12 031808	34,450,000.0000	CONV SENIOR SUB NOTE	5219666	34,450,000.0000	0	0	
12 031808	34,450,000.0000	SECURITIZED MULTIPLE ASSET					
12 031808	34,450,000.0000	RATED TR 1997-5 ASSET BACKED					
12 031808	34,450,000.0000	DUE 06/15/2005 7.720%					
12 031808	34,450,000.0000	NRG ENERGY INC					
12 031808	34,450,000.0000	SR NOTE					
12 031808	34,450,000.0000	DUE 06/01/2009 7.500%					

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93771	
TC	LD	RR: H81 STONEHILL	SECURITY DESCRIPTION	CURR-CODE: 000	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	031808	8,800,000.0000	CONSUMER PACKAGING INC	21061PAD80	0.00000H	0	0
			SR NOTE	5220319 SB	8,800,000.0000	0	0
			DUE 02/01/2007				
			INSILCO CORP	457659AM20	0.00000H	0	0
			SR SUB NOTE SER-B	5223763 SB	23,300,000.0000	0	0
			DUE 08/15/2007				
			MEMPOLLY PECK INTL FINANCE LTD	071536AB50	0.00000H	0	0
			DUE 11/19/1990	5225032 SB	23,420,000.0000	0	0
			WCI COMMUNITIES INC	92923CAK00	33.00000	2,253,770	670,131
			CONV	5225280 SB	6,769,000.0000		
			DUE 08/05/2023				
			MEMSSEA HOLDINGS	XMS2296810	0.00000H	0	0
			DUE 07/13/2049	5229681 SB	5,700.0000	0	0
			MEMPERGRINE INVEST HOLDINGS LTD	XMS2299550	0.00000H	0	0
			DUE 06/20/2000	5229955 SB	2120,000,000.0000	0	0
			BUDGET GROUP INC	119003AF80	0.00000	0	0
			SR NTS	5230760 SB	6,395,000.0000	0	0
			DUE 04/01/2006				
			TELEGLOBE INC	87941TAD70	0.00000H	0	0
			GTD DEB	5231765 SB	26,335,000.0000	0	0
			DUE 07/20/2009				
			TELEGLOBE INC	87941TAE50	0.00000H	0	0
			DEB	5231763 SB	53,161,000.0000	0	0
			DUE 07/20/2029				
			GLOBAL RATED ELIGIBLE ASSET TR	37937MAD10	0.00000H	0	0
			1998-A ASSET BACKED NT A-3	5233639 SB	79,740,000.0000	0	0
			DUE 01/15/2002				
			SFC NEW HLDS INC	784123AF80	0.00000H	0	0
			SR SUB NT	5237126 SB	7,000,000.0000	0	0
			DUE 08/15/2003				
			SECURITIZED MULTIPLE ASSET	81375BAK80	0.00000H	0	0
			RATED TR 1997-5ASSET BACKED	5245527 SB	18,600,000.0000	0	0
			DUE 03/15/2005				
			GST NETWORK FUNDING INC	36228VAC90	0.00000	0	0
			SENIOR DISC NOTE	5246447 SB	4,000,000.0000	0	0
			DUE 05/01/2008				
			CARRIER INTL S A	144500AC90	0.00000H	0	0
			SR NOTE SER B	5247881 SB	3,215,000.0000	0	0
			DUE 02/15/2009				

BPM56 CLIENT 012		732-60125 RR: HBI STONENILL		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93772	
TC LDA		LONG/SHORT(-)		CURR-CODE: 000					
12	031808	49,600,000.0000	IT GROUP INC	465266AC80	PRICE	MARKET VALUE	MARGIN REQUIREMENT		
			SENIOR SUB NOTE SER B	5249169 SB	0.00000H	49,600,000.0000	0		
			DUE 04/01/2009 11.250%						
			WMS-AIR GROUP FIN	XX52526290	0.00000H		0		
			DUE 11/15/2004 7.500%	5252629 SB	2,270,000.0000		0		
			PSINET INCORPORATED	69363VAB30	0.00000H		0		
			SR NT	5253156 SB	173,811,000.0000		0		
			DUE 08/01/2009 11.000%						
			YOSEMITE SECURITIES TRUST I	987406AA30	0.00000H		0		
			99-A LINKED ENRON OBLIG LEADS	5253212 SB	4,350,000.0000		0		
			DUE 11/15/2004 8.250%						
			FRIDE GOLDMAN INTL INC	358430AA40	0.00000H		0		
			SUB NT CV	5253291 SB	52,619,000.0000		0		
			DUE 09/15/2004 4.500%						
			MMPSINET INC SER EUR	XX52536090	0.00000H		0		
			SR NOTES EURO SER	5253609 SB	4,100,000.0000		0		
			DUE 08/01/2009 11.000%						
			RESIDENTIAL CAP CORP NT 7.375%	76113BAF60	21.00000H	2,460,570	2,460,570		
			ON 08/18/2007	5259929 SB	11,717,000.0000		0		
			DUE 06/30/2010 8.375%						
			EXODUS COMMUNICATIONS INC	302088AH20	0.00000H		0		
			SR NT	5261713 SB	34,039,000.0000		0		
			DUE 12/15/2009 10.750%						
			VENTURE HOLDINGS TRUST	92326YAF60	0.00000H		0		
			DUE 06/01/2007 11.000%	5261756 SB	11,475,000.0000		0		
			WORLD ACCESS INC	98141AAD30	0.00000H		0		
			SENIOR NOTES	5262134 SB	67,826,000.0000		0		
			DUE 01/15/2008 13.250%						
			SLM CORP	78442FDQ80	94.85714H	1,745,371	523,611		
			MEDIUM TERM NTS	5262964 SB	1,840,000.0000		0		
			DUE 07/27/2009 2.940%						
			TXU EASTERN FUNDING CO	873169AF30	0.00000H		0		
			GTD SR NT ORG CPN 6.45000	5264215 SB	4,037,000.0000		0		
			DUE 05/15/2005 6.450%						
			TXU EASTERN FUNDING CO	873169AJ50	0.00000H		0		
			GTD SR NOTE	5264525 SB	8,650,000.0000		0		
			DUE 05/15/2009 6.750%						
			MMTNDORAYON INTL FINANCE	Y3902EAA60	0.00000H		0		
			USD	5272401 SB	400,000.0000		0		
			DUE 03/29/2001 10.000%						

BMRB6 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93773		
7332-40125	RR: H01 STONEHILL	LONG/SHORT(-)	SECURITY DESCRIPTION	CURR-CODE: 000	CUSIP/SEC	PRICE	MARKET VALUE	MARGIN REQUIREMENT
12	LDA	26,400,000.0000	CONTINENTAL AIRLINES INC SR		2107959940	0.0000H	0	0
12	031808		NOTES GTD-REG-ESCROW		5272505	SB	26,400,000.0000	0
			DUE 03/15/1997	11.500%				
			PSINET INC					
			SR NOTE					
			DUE 12/01/2006	10.500%				
			MMXTU EASTERN FUNDING					
			DUE 03/08/2030	7.250%				
			MMPSINET INC					
			EURO SERIES					
			DUE 12/01/2006	10.500%				
			LUKENS INC					
			MEDIUM TERM NOTES					
			DUE 02/01/2006	6.500%				
			MMGND BONDHOLDER TRUST					
			OFFSHORE TR CTF REG S					
			DUE 03/31/2000					
			GND BONDHOLDER TRUST					
			OFFSHORE TR CTF 144A					
			DUE 03/31/2000					
			ETOVY IND					
			CONV SUB NOTE					
			DUE 12/01/2004	6.250%				
			MMMS-AIR GROUP					
			DUE 11/04/2004	2.125%				
			COLOR TILE INC SR NT					
			DUE 12/15/2001	10.750%				
			MMG ENERGY INC					
			DUE 09/15/2010	8.250%				
			EAGLE GEOPHYSICAL INC					
			SR NT SER B - ESCROWED-					
			DUE 07/15/2008	10.750%				
			MTS INC					
			SR SUB NOTE					
			DUE 03/19/2009	10.000%				
			ENRON CORP					
			PRIVATE PLACEMENT					
			DUE 06/15/2005	8.000%				
			RSL COMMUNICATIONS PLC					
			GND US\$ SR NT					
			DUE 03/01/2010	12.875%				

BMR56 CLIENT 012				MARGIN ACTIVITY STATEMENTS				09/19/08		PAGE 93774	
732-40125 RR: H81 STONEHILL				CURR-CODE: 000							
TC LDA LONG/SHORT(-)				SECURITY DESCRIPTION				PRICE		MARKET VALUE	
12 092507 7,000,000.0000				WARRSL COMMUNICATIONS PLC				0.00000H		0	
				DUE 03/01/2010 12.875%				7,000,000.0000		0	
12 031808 17,000,000.0000				GT GROUP TELECOM INC				0.00000H		0	
				SENIOR DISC EXCH NOTES				17,000,000.0000		0	
				DUE 02/01/2010 13.250%							
12 092507 31,627,000.0000				WMSAIRGROUP FINANCE				0.00000H		0	
				DUE 10/06/2010 6.625%				31,627,000.0000		AMORTIZED AMOUNT 29254,975.00	
12 092507 1,250,000.0000				WMPASHINCO FINANCE LTD				0.00000		0	
				EURO MEDIUM TERM NOTE				1,250,000.0000			
				DUE 02/10/2003							
12 080508 15,105,000.0000				WCI CMNTYS INC				40.00000H		5,242,000	
				SR SUB NT				13,105,000.0000			
				DUE 03/15/2015 6.625%							
12 072208 4,975,000.0000				BRODER BROS CO				67.50000H		3,358,125	
				SR NOTE				4,975,000.0000		3,358,125	
				DUE 10/15/2010 11.250%							
12 092507 1,320,000.0000				WMMULIAKERARHIK FINANCE LTD				0.00000H		0	
				SENIOR B VAR RT				1,320,000.0000		AMORTIZED AMOUNT 1294,075.46	
				DUE 10/31/2007							
12 092507 3,600,000.0000				WMMEXODUS COMMUNICATIONS				0.00000H		0	
				SENIOR NOTES				3,600,000.0000		AMORTIZED AMOUNT 3047,581.00	
				DUE 12/15/2009 10.750%							
12 031808 13,650,000.0000				WMMEXODUS COMMUNICATIONS				0.00000		0	
				SENIOR NOTES				13,650,000.0000			
				DUE 07/15/2008 11.375%							
12 010708 8,503,000.0000				WMMTXU EUROPE FUNDING LTD				0.00000H		0	
				EURO ISSUE				8,503,000.0000			
				DUE 11/30/2005 7.000%							
12 031808 164,013,000.0000				EXODUS COMMUNICATIONS INC				0.00000H		0	
				US\$ SR NT				164,013,000.0000		AMORTIZED AMOUNT 123370,175.12	
				DUE 07/15/2010 11.625%							
12 092507 6,045,389.0000				WMMULTIALERARHIK FINANCE LTD				0.00000H		0	
				SENIOR A VAR RATE				6,045,389.0000			
				DUE 10/31/2007 7.187%							
12 073008 4,950,000.0000				GENERAL MOTORS ACCEPTANCE CORP				62.78500		3,107,857	
				GLOBAL NOTES				4,950,000.0000		1,398,535	
				DUE 03/02/2011 7.250%							
12 031808 2,925,000.0000				ESCROW GUANGDOING INTL TR &				0.00000H		0	
				INVT 144A				2,925,000.0000			
				DUE 11/15/2020 6.750%							

BMR56 CLIENT 012			MARGIN ACTIVITY STATEMENTS			09/19/08		PAGE 93775	
32-40125 RR: H01 STONEHILL			CURR-CODE: 000			PRICE		MARKET VALUE	
C LDA LONG/SHORT(-)			SECURITY DESCRIPTION			CUSIP/SEC		MARGIN REQUIREMENT	
2 031808 3,300,000.0000			ESCROW GUANGDONG INTL TR & INV			4006519890		0	
			144A			5359457 SB		3,300,000.0000	
2	031808	42,129,000.0000	DUE 10/24/2016	8.750%	045180AB70	0.00000H	0	0	0
			SR NT		5362572 SB	42,129,000.0000	AMORTIZED AMOUNT	34640,153.59	
2	031808	63,600,000.0000	DUE 10/15/2010	13.375%	629377AL60	0.00000	0	0	0
			BONDS		5368394 SB	63,600,000.0000	AMORTIZED AMOUNT		
2	031808	23,850,000.0000	DUE 04/01/2031	8.625%	629377AK80	0.00000H	0	0	0
			NRG ENERGY INC		5368395 SB	23,850,000.0000	AMORTIZED AMOUNT		
12	121007	1,185,000.0000	DUE 04/01/2011	7.750%	339130AP10	0.00000H	0	0	0
			FLEMING COS INC		5370856 SB	1,185,000.0000	AMORTIZED AMOUNT	1109,445.69	
12	032708	1,650,000.0000	DUE 04/01/2008	10.125%	125501AV00	91.57100	1,510,921	453,276	
			CIT GROUP INC NEW		5381485 SB	1,650,000.0000	AMORTIZED AMOUNT		
12	111607	26,310,000.0000	DUE 01/30/2009	2.946%	G7111WAA10	0.00000H	0	0	0
			MMPIV INVESTMENT FINANCE CV		5395354 SB	26,310,000.0000	AMORTIZED AMOUNT		
12	092507	1,740,000.0000	DUE 12/01/2000	4.500%	Q36895AB80	0.00000	0	0	0
			MMHIN WINTERTHUR UNDERAGY		5404497 SB	1,740,000.0000	AMORTIZED AMOUNT		
12	070208	2,625,000.0000	DUE 05/14/2003	5.987%	59832WAE90	102.73200H	964,914	964,914	
			MIDWEST GENERATION LLC		5406672 SB	2,625,000.0000	AMORTIZED AMOUNT	939,254.11	
12	031808	742,000.0000	DUE 07/02/2009	8.300%	2338609B30	0.00000	0	0	0
			PASSTHRU CTF SER-A		5430398 SB	742,000.0000	AMORTIZED AMOUNT		
12	092507	10,000,000.0000	DUE 03/15/2004	10.250%	H83970BD60	0.00000H	0	0	0
			MMSSWISSAIR CORP		5435819 SB	10,000,000.0000	AMORTIZED AMOUNT		
12	072208	1,000,000.0000	DUE 04/12/2005	6.250%	29357VAD50	0.00000	0	0	0
			ENRON CREDIT LINKED NOTES TR		5442794 SB	1,000,000.0000	AMORTIZED AMOUNT		
12	070908	213,000,000.0000	DUE 05/24/2006	7.250%	U29302AJ20	0.00000H	0	0	0
			STERLING6 CREDIT LINKED NOTE		5445610 SB	213,000,000.0000	AMORTIZED AMOUNT		
12	071008	300,000,000.0000	DUE 06/18/2004	0.970%	U29302AG80	0.00000H	0	0	0
			MMENRON CORP		5446359 SB	300,000,000.0000	AMORTIZED AMOUNT		

BMR56 CLIENT 012				MARGIN ACTIVITY STATEMENTS				09/19/08		PAGE 93777	
'32-40125 RR: H81 STONEHILL				CURR-CODE: 000							
'C LDA LONG/SHORT(-)				OFFSHORE							
2 100407 315,000.0000				SECURITY DESCRIPTION							
				AMERICAN RICE INC							
				MTG NOTES W/CONTINGENT INT							
				DUE 07/31/2002 13.000%							
2 111607 4,876,944.0000				SOURCE MEDIA INC							
				SR SECND NTS							
				DUE 11/01/2004 12.000%							
2 031808 14,800,000.0000				CALPINE GENERATING CO							
				DUE 04/01/2009							
2 031808 3,640,000.0000				JET EQUIPMENT TR MEZZANINE							
				NOTE CL B 95-B							
				DUE 02/15/2015 7.830%							
2 031808 8,600,000.0000				ESCROW CONTINENTAL AIRLINES							
				INC							
				DUE 11/15/2001 10.000%							
2 031808 33,789,621.0000				AIRPLANES PASS THROUGH TRUST							
				ASTBK/SERIES 1996-A D-FIXED RT							
				DUE 03/15/2019 10.875%							
2 092607 1,839,000.0000				SOUTHEAST BANKING CORP CV S/D							
				-REG							
				DUE 10/15/1997 4.750%							
2 102407 1,312,000.0000				SOUTHEAST BANKING CORP-FRN							
				CPN							
				DUE 11/12/1997 5.250%							
2 031808 992,000.0000				SOUTHEAST BANKING CORP							
				CONV SUB CAPITAL NOTE							
				DUE 03/15/1999 6.500%							
2 040708 3,300,000.0000				CIT GROUP INC							
				DUE 12/19/2008 3.212%							
2 041008 550,000.0000				CIT GROUP FUNDING CO CDA							
				SR NT							
				DUE 07/01/2010 4.650%							
2 081208 11,694,343.0000				NORTHERNSTAR NAT GAS INC							
				SR NTS 144A							
				DUE 05/15/2013 5.000%							
2 091608 5,980,000.0000				WASHINGTON MUT PFD FDG TR I							
				PERPETUAL 144A							
				DUE 03/07/2049 6.534%							
2 041008 4,815,000.0000				MNCIT GROUP FDG CO CDA							
				SR NT							
				DUE 11/02/2011 5.600%							

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MARGIN ACTIVITY STATEMENTS

CURR-CODE: 000

OFFSHORE

SECURITY DESCRIPTION

MARGIN REQUIREMENT

0

PRICE

CUSIP/SEC

AMERICAN RICE INC

MTG NOTES W/CONTINGENT INT

DUE 07/31/2002 13.000%

0

0

0.00000H

029318AA00

SB

315,000.0000

0

0

0

0.00000

836153AC00

SB

4,876,944.0000

0

0

0

0.00000H

13135BAE60

SB

14,800,000.0000

0

0

0

0.00000

477122AU70

SB

3,640,000.0000

0

2932,474.74

AMORTIZED AMOUNT

0

5574462

SB

3,640,000.0000

0

0

0

0.00000H

2107959L60

SB

8,600,000.0000

0

0

0

0.00000H

009451AH80

SB

33,789,621.0000

0

33374,008.66

AMORTIZED AMOUNT

0

5579099

SB

1,839,000.0000

0

0

0

0.00000

841338AA40

SB

1,839,000.0000

0

0

0

0.00000H

841338AF30

SB

1,312,000.0000

0

0

0

0.00000H

5596001

SB

992,000.0000

0

0

0

0.00000H

841338AG10

SB

992,000.0000

0

983,426

3,278,088

99.33600

125577AV80

SB

3,300,000.0000

0

129,721

432,404

78.61900

5634664

SB

550,000.0000

0

3,227,638

10,758,795

92.00000H

666107AA50

SB

11,694,343.0000

0

216,230

720,769

12.05300H

93934WAA30

SB

5,980,000.0000

0

1,434,893

3,188,651

66.22330H

125568AE50

SB

4,815,000.0000

0

MR56	CLIENT 012	OFFSHORE	MARGIN ACTIVITY STATEMENTS	09/19/08	PAGE 93778
12-40125	RR: H81 STONEHILL	SECURITY DESCRIPTION	CURR-CODE: 000		
12-40125	LDA	COUNTRYWIDE ASSET-BCK CERTIF	CUSIP/SEC	PRICE	MARKET VALUE
12-40125	2,300,000.0000	SERIES 2006-S7 CLASS A6	12668VAF60	48.30830H	1,111,090
12-40125	2,300,000.0000	DUE 11/25/2035 5.693%	5801730 SB	2,300,000.0000	1,111,090
12-40125	4,600,000.0000	CMHEQ HOME EQUITY LOAN TRUST	12668VAA70	85.41443H	1,546,558
12-40125	4,600,000.0000	MTGPC/SERIES 2006-S7 A-1-VAR	5850819 SB	4,600,000.0000	1,546,558
12-40125	500,000.0000	DUE 11/25/2035 2.561%	033365SQ40	111.25937H	1810,652.13
12-40125	500,000.0000	EURO MEDIUM TERM NOTE	5856171 SB	500,000.0000	250,333
12-40125	12,528,000.0000	DUE 01/16/2012 7.125%	904677AG60	90.00000H	11,275,200
12-40125	12,528,000.0000	UNIFI INC SR SC NT 11.5714	5856846 SB	12,528,000.0000	11,275,200
12-40125	5,750,000.0000	DUE 05/15/2014 11.500%	126683AB70	59.50563H	3,421,573
12-40125	5,750,000.0000	CMHEQ HOME EQUITY LN TR	5905694 SB	5,750,000.0000	3,421,573
12-40125	6,647,920.0000	SER 2006-S5 CLASS A2	12668YAC90	47.92761H	3,175,285
12-40125	6,647,920.0000	DUE 06/25/2035 5.681%	5943647 SB	6,647,920.0000	6625,170.75
12-40125	6,647,920.0000	COUNTRYWIDE ASSET-BACKED CTFS	F07959AG80	0.00000H	0
12-40125	63,800,000.0000	SERIES 2006-S8 CLASS A3	5956314 SB	63,800,000.0000	0
12-40125	63,800,000.0000	DUE 04/25/2036 5.555%	XX59571710	0.00000H	0
12-40125	63,800,000.0000	IN DEFALT	5957171 SB	4,733,000.0000	0
12-40125	4,733,000.0000	DUE 02/08/1996 10.125%	XX59572020	0.00000H	0
12-40125	4,733,000.0000	GREAT 98-A SERIES A-2 FRN-	5957202 SB	4,798,000.0000	0
12-40125	4,733,000.0000	DUE 12/31/2026	12668YAB90	90.53437H	2,082,290
12-40125	4,798,000.0000	SECURITIZED MULTIPLE ASSET	5961848 SB	2,300,000.0000	2,082,290
12-40125	4,798,000.0000	A2 97-5	852591AA40	70.50000H	1,744,875
12-40125	4,798,000.0000	DUE 06/29/2005	5975781 SB	2,475,000.0000	785,193
12-40125	2,300,000.0000	CMHEQ HOME EQUITY LOAN TRUST	G5698WAD00	0.00000H	0
12-40125	2,300,000.0000	SERIES 2006-S10 CLASS A-2	5968867 SB	1,434,989.0000	0
12-40125	2,300,000.0000	DUE 10/25/2036 2.691%	XX9N437650	0.00000	0
12-40125	2,475,000.0000	STALLION OILFIELD SVCS LTD /	9N43765 SK	299,177.0000	0
12-40125	2,475,000.0000	CORP SR NT 144A	XX91118260	0.00000	0
12-40125	2,475,000.0000	DUE 02/01/2015 9.750%	9111826 SK	175,438.6000	0
12-40125	1,434,989.0000	MMHLKUFER HOLDINGS PLC	XX99993400	0.00000	0
12-40125	1,434,989.0000	DUE 02/06/2012 11.330%	9999340		0
12-40125	299,177.0000	ME ZUCKERMAN INVESTMENTS			0
12-40125	299,177.0000	CHANGING WORLD TECHNOLOGIES			0
12-40125	175,438.6000	INC RESTRICTED			0
12-40125	175,438.6000	TOA TO A/C #			0
12-40125	30,110.0000	(MM)			0

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93779	
'32-40125 RR: M01 STONEHILL		CURR-CODE: 000		PRICE		MARGIN REQUIREMENT	
C LDA LONG/SHORT(-)		SECURITY DESCRIPTION		CUSIP/SEC		MARKET VALUE	
20 062408	37,214.0000	ACACIA RESEARCH - ACACIA TECHNOLOGIES	ADVANTA CORP-CL A	0036813070	4.38000	162,997	111,642
20 070208	158,854.0000	ADVANTA CORP-CL B NON-UTG	BURLINGTON INDUSTRIES INC NEW	A013707 SB	37,214.0000	1,070,675	476,562
20 091708	951,658.0000	CIT GROUP INC NEW	CONTINENTAL AIRLINES INC-CL B	A00425 SB	6.74000	159,854.0000	2,717,935
20 092507	0.0000	DELTA AIR LINES INC DEL COM NEW	EXX INC-CL A	0079421050	9.52000H	9,059,784	76,750
20 091108	0.0000	ICO GLOBAL COMMUNICATIONS	HLDGS LTD DEL CL A	A189735 SB	951,658.0000	0	183,850
20 092208	301,044.0000	NORTHWESTERN CORPORATION NEW	NORTHWEST AIRLINES INC	8550969	11.16000	0	1,661,762
20 091908	591,496.0000	WELLS FARGO & CO	WACHOVIA CORPORATION	1255811080	18.40000	5,539,209	9,335.0000
20 040908	51,850.0000	PORTLAND GENERAL ELECTRIC CO NEW	RAIT FINANCIAL TRUST	C011859	301,044.0000	5,719,766	1,715,929
20 070708	174,960.0000	US AIRWAYS GROUP INC	WELLS FARGO & CO	C562466 SB	9.67000H	5,719,766	134,810
20 082108	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	2473617020	2.60000	134,810	393,660
20 063008	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	D010768 SB	280,248.0000	393,660	920,000
20 092208	416,436.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	2692821090	51,850.0000	393,660	659,210
20 081908	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	E029150 SB	2.25000H	393,660	40,306.0000
20 040908	1,147.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	H010818 SB	174,960.0000	0	1,440,452
20 081208	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	55262C1000	12.88000	0	67,893
20 092208	608,890.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	M000545	26.22000H	0	8,602
20 090208	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	6680743050	11.53000	4,801,507	273,000
20 091508	0.0000	WACHOVIA CORPORATION	WACHOVIA CORPORATION	M007436	416,436.0000	0	1,444,895
				N009281	4.18115H	0	1,152,210
				65548P1060	7.35000	1,147.0000	388,125
				N101684	25.00000H	28,675	
				7365888470	1,147.0000	0	
				P019060 SB	7.91000	4,816,319	
				R003584	608,890.0000	0	
				90341W1080	39.80000	0	
				U003620 SB	18.75000	0	
				9497461010	18.75000	0	
				W001549	18.75000	0	
				9299031020	18.75000	0	
				W002990	18.75000	0	

BHR56 CLIENT 012			MARGIN ACTIVITY STATEMENTS			09/19/08		PAGE 93780	
RR: H01 STONEHILL OFFSHORE			CURR-CODE: 000			PRICE		MARKET VALUE	
LONG/SHORT(-) SECURITY DESCRIPTION			CUSIP/SEC			0		MARGIN REQUIREMENT	
0.0000 WASHINGTON MUTUAL INC			9393221030			4.25000		1,852,473	
0.0000 WASHINGTON MUTUAL INC			W028516			0.49000		110,525	
225,562.0000 HMMZARLINK SEMICONDUCTOR INC			Y001713 SB			225,562.0000		110,525	
2,300,000.0000 UAL CORP			902549AE40			55.87500		385,537	
ORD SETTLEMENT BD			5725709 SB			2,300,000.0000		1,285,125	
DUE 02/01/2021 5.000%			912810PW20			100.03100		2,300,713	
UNITED STATES TREASURY BOND			7001110			0		0	
DUE 02/15/2038 4.375%			912828HZ60			100.93000		464,278	
UNITED STATES TREASURY NOTE			7001113			0		0	
DUE 05/15/2018 3.875%			912828CA60			104.75049H		1,571,257	
UNITED STATES TREASURY NOTE			7004940			0		0	
DUE 02/15/2014 4.000%			1216931050			0.00000H		0	
BURLINGTON INDUSTRIES INC NEW			8550969			11.16000		0	
CIT GROUP INC NEW			1255611080			410,353-		0	
MBIA INC			C011859			12.88000		0	
NORTHWESTERN CORPORATION			M000545			26.22000H		0	
NEW			6680743050			0		0	
MNNORBOARD INC			N007436			4.18115H		0	
RAIT FINANCIAL TRUST			N101684			7.35000		0	
WELLS FARGO & CO			R003584			39.80000		0	
WACHOVIA CORPORATION			W001549			18.75000		0	
WASHINGTON MUTUAL INC			W002990			1,293,750-		0	
UNITED STATES TREASURY BOND			9393221030			4.25000		0	
DUE 02/15/2038 4.375%			W028516			1,852,473-		0	
UNITED STATES TREASURY NOTE			912810PW20			100.03100		0	
DUE 05/15/2018 3.875%			7001110			23,007,130-		0	
UNITED STATES TREASURY NOTE			912828HZ60			100.93000		0	
UNITED STATES TREASURY NOTE			7001113			4,642,780-		0	
DUE 02/15/2014 4.000%			912828CA60			104.75049H		0	
TOTALS			7004940			15,712,574-		0	
TOT MV			SMA			9,068,744-		31,807	
EQV			299,915,558			NEW HSE CALL		0	
LIQ EQT			18,137,489			NYSE OPT REQ		0	
CSH AV			9,068,744						

BMR56 CLIENT 012
732-40125 RR: H01 STONEHILL OFFSHORE

MARGIN ACTIVITY STATEMENTS
CURR-CODE: 246 EM

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TC	DATE	DESCRIPTION	MARK TO MARKET	LONG/SHORT	OPEN T/D BAL	CLOSE T/D BAL	OPEN S/D BAL	CLOSE S/D BAL	PRICE/ENT	T/D TRD #	MARKET VALUE	DEBIT/CREDIT	DLA
12	09/19	FOREIGN CURRENCY EM RATE	1.43870132	T/D BAL	00.00	00.00	00.00	00.00					09/18/08
20		FOREIGN CURRENCY EM RATE	196,050.45		196,050.45	100,862.09	100,862.09					00 B1	09/19/08
53		FOREIGN CURRENCY EM RATE	1,940,454.85		1,940,454.85	1,845,266.49	1,845,266.49					1,950,946-	09/19/08
1		ACTIVITY	1,744,404.40-		1,744,404.40-	1,744,404.40-	1,744,404.40-					65,442-	
TC	S/DTE	LONG/SHORT	MARK TO MARKET	DESCRIPTION	CUSIP/SEC	PRICE/ENT	T/D TRD #	MARKET VALUE	DEBIT/CREDIT				
12	09/19	LONG/SHORT	MARK TO MARKET	SECURITY DESCRIPTION	CUSIP/SEC	PRICE		MARKET VALUE					
12	09/208	250,000.0000	MARK TO MARKET	MARKET BANK PLC	033365SS00	74.80386H	09/19	187,009	95,188.36-			84,154	
12	071608	920,000.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	588DQY5 SB	250,000.0000	09/19	250,000.0000	95,188.36				
12	041608	1,150,000.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	N3592XB660	78.94734H		726,315				326,842	
20	080808	0.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	588PUH5 SB	920,000.0000		980,179				441,080	
20	080808	0.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	U12605AD00	85.23296H		980,179					
53	080808	22,250.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	5341424 SB	1,150,000.0000		980,179					
53	080808	49,200.0000	MARKET BANK GMBH	EURO MEDIUM TERM NOTE	F061161010	32.37989H		720,452-				0	
					A006971	25.17263H		1,230,493-				0	
					F962211260	25.17263H							
					V148913								
					A006971								
					F962211260								
					V148913								
TOT	MV	65,442-	OLD FED CALL	1,030,497	FED CALL			1,030,497	NEW FED CALL			0	
EQUITY		1,678,961	LIQ EQT	1,678,961	HOUSE EXCESS			239,201	NEW HSE CALL			0	
CSH AU		0	BUYING P	0	OTHER EXCESS			810,595	NYSE OPT REQ			0	

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EXHIBIT D FOR STONEHILL OFFSHORE PARTNERS

Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	69337YAE4	USD	291,847.10	PAYDOWN	9/30/2008	PHH MORTGAGE TRUST SER 2007-SLI CLASS TAGS 144A 6.60000% 12/23/2027 69337YAE4
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	69337YAE4	USD	76,394.21	INTEREST	9/30/2008	PHH MORTGAGE TRUST SER 2007-SLI CLASS TAGS 144A 6.60000% 12/23/2027 69337YAE4
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	76110VTD0	USD	12,924.41	INTEREST	9/30/2008	RESIDENTIAL FDG MTO SECS II IN SERIES 2006-HSA1 CLASS A-2 5.19000% 02/23/2036 76110VTD0
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	55265AANI	USD	107,739.58	INTEREST	10/27/2008	MAC CAPITAL LTD SER 2007-1 CL B-2L 144A/3C7 RMD 7.043 07/26/2023
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	DAL	USD	6.63	CASH IN LIEU	10/27/2008	DELTA AIR LINES INC DEL COM NEW
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	12684AC3	USD	19,194.77	INTEREST	9/30/2008	COUNTRYWIDE ASSET BK CERT SERIES 2006-2N CLASS A3 5.65800% 03/23/2034 12684AC3
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	X5028003820	GBP	125,142.40	INTEREST	10/31/2008	LUXPER HOLDINGS PLC II 83.00% 02/06/2012 G3688WADO
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	29357YAD5	GBP	32,386.31	INTEREST	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U12605AD0	EUR	1,621.10	DISTRIBUTION	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U29302AH6	EUR	15,913.70	INTEREST	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	U29302AH6	USD	10,394.14	REDEMPTION	11/6/2008	ENRON CREDIT LINKED NOTES TR STERLING'S CREDIT LINKED NOTE 7.25000% 05/24/2006 29357YAD5
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	X5010037971	USD	43,574.94	PAYDOWN	10/28/2008	ENRON CORP 0.77000% 12/31/2049 U29302AH6
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	69363VAD9	USD	3,540.90	PAYDOWN	10/28/2008	PSINET INC EURO SERIES 10.50000% 12/01/2006
Stonehill Offshore Partners	732-40125	November-08	5BCLLC0	CA37047ZBM01	CAD	164,576.11	INTEREST	11/21/2008	PSINET INC SER EUR SR NOTES -IN DEFAULT- 11.00000% 08/01/2009 69363VAD9
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	76113BAF6	USD	490,649.18	INTEREST	11/21/2008	GENERAL MOTORS ACCEPTANCE CORP OF CANADA LTD 4.72143% 05/22/2009 37047ZBM01
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	76113BAF6	USD	952,118.64	TENDER PAYMENT	12/29/2008	RESIDENTIAL CAP CORP NT 6.375% 10.8.375% 06/30/2010 76113BAF6
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	8431AJM0	USD	731,256.48	DISTRIBUTION	12/29/2008	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	U12605AB4	GBP	27,087.50	INTEREST	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5020220264	GBP	240,625.00	INTEREST	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	U12605AB4	GBP	985,000.00	MATURITY	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5020220264	GBP	3,850,000.00	MATURITY	12/12/2008	MAC INTL FINANCE BV EURO MEDIUM TERM NOTE RMD 5.50 12/15/2008
Stonehill Offshore Partners	732-40125	December-08	5BCLLC0	X5029427396	USD	178,006.98	DISTRIBUTION	12/22/2008	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	January-09	5BCLLC0	8431AJM0	USD	39,814.50	DISTRIBUTION	1/6/2009	VICTORIA STANFIELD FIN LTD MEDIUM TERM NOTE 4.835% 03/28/2008 8431AJM0
Stonehill Offshore Partners	732-40125	October-08	5BCLLC0	40065L9A1	USD	113,174.45	DISTRIBUTION	10/22/2008	ESCROW GUANGDONG INTL TR & INVT 144A-IN DEFAULT 6.75% 11/15/2020 40065L9A1
Running Total	6,173,078.91								
USD	5,262,140.69								
GBP	122,442.03								
EUR	164,576.11								
CAD									

SO EXHIBIT E

STONEHILL OFFSHORE PARTNERS LTD

WIRES ON PRIVATE INSTRUMENTS THAT WERE MISDIRECTED TO LBI

ACCOUNT	CURRENCY	AMOUNT	DATE	DESCRIPTION
732-40125	EUR	262.34	9/10/2008	Unipoly wire from Deutsche Bank
732-40125	GBP	25,011.80	9/10/2008	Unipoly wire from Deutsche Bank
732-40125	USD	34,283.33	11/28/2008	Murray Energy wire from Goldman Sachs
732-40125	USD	378,776.44	11/28/2008	Murray Energy wire from Goldman Sachs
732-40125	USD	14,188.01	12/31/2008	Entegra 2nd Lien wire from Lehman CP

			CURRENT EXCH RATE	
TOTAL	EUR	262.34	1.35	353.37
TOTAL	GBP	25,011.80	1.52	37,917.89
TOTAL	USD	427,247.78	1.00	427,247.78
TOTAL	AS CONVERTED			465,519.04 a)

a) Note: Currencies are converted to USD only for the purpose of tallying a rough dollar amount due. Stonehill is not aware of the LBI estate's policies regarding converting foreign wires, the date used for conversion, or whether foreign wires will be delivered in original currency.

SO Exhibit F page 1 of 2

BMR56 CLIENT 012		MARGIN ACTIVITY STATEMENTS		09/19/08		PAGE 93829	
732-41222 RR: H01 STONEHILL OFFSHORE P		CURR-CODE: 000					
TC 12		BALANCES		CLOSE T/D BAL		OPEN S/D BAL	
		00.00		00.00		00.00	
TC 12		ACTIVITY		CLOSE S/D BAL		MARKET VALUE	
		00.00		00.00		5,500,000	
TC 12		NO ACTIVITY FOR THIS ACCOUNT		PRICE		MARGIN REQUIREMENT	
				1.000000H		5,500,000	
TC 12		LONG/SHORT(-) SECURITY DESCRIPTION		CUSIP/SEC		DLA	
		5,500,000.0000 BENLEHMAN BROTHERS US DOLLAR		0546081260		09/18/08	
		LIQUIDITY FUND INSTL DIST CL		A000351			
TGT HW		TOTALS		SMA		0	
EQUITY		5,500,000 OLD SMA		0		0	
CSH AV		5,500,000 LIQ EQT		0		0	
		0 BUYING P		0		0	
				0 NYSE OPT REQ		0	

LEHMAN BROTHERS

For the period 08/30/2008 to 09/30/2008

STONEHILL OFFSHORE
PARTNERSHIP LTD
C/O CITICO FUND SERVICES

SO Exhibit F page 2 of 2

Base Currency : USD
Account Number : 732-40125 H81

Monthly Activity (1)

MOVEMENTS OF FUNDS (Continued)			Description	Amount
Settlement Date	Transaction			
09/15/2008	PAID BY WIRE		WIRE PAYMENT TO 09/12/08 SD	(168,000,000.00)
09/16/2008			INWIRE RF#0311699 0008 INES(02) NORTHWEST AIRL INES 6 CITIUS33	204,909.09
09/16/2008	PAID BY WIRE		WIRE PAYMENT TO 09/16/08 SD	(5,000,000.00)
09/16/2008			TFR TO ACCT 732-41222-2	(2,018,932.38)
09/17/2008			TFR TO ACCT 732-41222-1	(5,500,000.00)
09/17/2008			REF # 9N44323	918,994.61
09/18/2008			INWIRE RF#0352200 0008 INES(02) NORTHWEST AIRL INES 6 CITIUS33	26,290.98
09/18/2008			TFR FROM ACCT 732-41222-1	3,585,571.55
09/19/2008			INWIRE RF#091986B7HUZR008975 026009593 PART NERS LTD FFC A C 732 401 WCI COMMUNITIES, INC	31,807.57
TOTAL NET MOVEMENTS OF FUNDS / USD				(172,269,540.62)
GBP				
09/08/2008			FRM STK TO CMDY	(103,624.20)
09/18/2008			TFR FROM ACCT 732-41222-1	25,038.00
TOTAL NET MOVEMENTS OF FUNDS / GBP				(78,586.20)
EUR				

SO Exhibit G
page 1 of 1

LEHMAN BROTHERS

For the period 08/01/2008 to 08/29/2008

STONEHILL OFFSHORE
PARTNERSHIP LTD
C/O CITICO FUND SERVICES

Base Currency : USD
Account Number : 732-40125 H81

Monthly Activity (1)

PURCHASES & SALES (Continued)					Description	Price	Amount
Settlement Date	Transaction	Quantity					
08/12/2008	BOUGHT	14,950			ACACIA RESEARCH - ACACIA TECHNOLOGIES UNSOLICITED TMS0870770870176160TMS PLUS 448.50 COMM CHARGED BY LEHM	4.1589	(62,824.06)
08/12/2008	SOLD	240,534			***BARRATT DEVELOPMENTS PLC AVERAGE PRICE UNSOLICITED TMS-REF200808110136535 TMS0871170870136535TMS 288,029.93 GBP TOTAL AS OF 08/07/08	2.3308	560,074.19
08/12/2008	BOUGHT	2,000,000			***MAC FUNDING I LTD PRIN PROTECTED SECS ACCREDITED INVS UNSOLICITED TMS0871170870044492TMS PLUS 0.00 COMM CHARGED BY CHSE	.3275	(655,000.00) *
08/12/2008	SOLD	6,300			PGT INC UNSOLICITED TMS0870770870182504TMS LESS 252.00 COMM 0.19 FEE CHARGED BY MOUN	5.1960	32,482.61
08/12/2008	SOLD	27,500			ROSETTA RESOURCES INC UNSOLICITED TMS0870770870182500TMS LESS 825.00 COMM 3.50 FEE CHARGED BY GSCO	22.7217	624,018.25
08/12/2008	BOUGHT	8,395			***ZARLINK SEMICONDUCTOR INC UNSOLICITED	.7158	(6,260.99)

LEHMAN BROTHERS INC

TRADE CONFIRMATION

To: Stonehill Institutional Partners, L.P.
Contact: Steve Nelson
Tel No.: 212-739-7470
Fax No.: 212-838-2291
Email: snelson@stonehillcap.com

From: Lehman Brothers Inc.
Contact: Denise Rosselli
Tel No.: 212-526-1490
Fax No.: 646-758-4993
Email: drosselli@lehman.com

Trade Confirmations: Jessica Markowitz
Tel. No.: 212-526-1490
Fax No.: 646-758-4993
Email: Jessica.markowitz@lehman.com

We are pleased to confirm the following transaction (the "Transaction"):

Trade Date: March 27, 2008
Seller: Stonehill Institutional Partners, L.P., as Principal
Buyer: Lehman Brothers Inc., as Principal
Issuer: US Power Generating Company
Quantity: 6,400 Class A Shares issued under Certificate of Incorporation (as amended or amended and restated from time to time, the Certificate of Incorporation) of US Power Generating Company, a Delaware corporation
Purchase Price: \$28.00 per Unit

Other terms:

1. Buyer and Seller agree that the Transaction shall be subject to the transfer requirements set forth in the Certificate of Incorporation; it being understood and agreed that Buyer shall cooperate in all reasonable respects with Seller to cause the Transaction to satisfy such requirements;
2. Buyer and Seller agree to execute and deliver any necessary documentation required pursuant the Certificate of Incorporation (the "Certificate") or by counsel to the Issuer (including, without limitation, in the case of Buyer, a Rule 144A Certificate, Regulatory Certificate and if applicable, a Confidentiality Agreement and, in the case of both parties, a NASD Transfer Form and Letter Agreement with respect to Section 1(b)(7) of Article Five of the Certificate), in order to effect the Transaction.
3. All dividends, payments or any other distributions made on or after the Trade Date are for the Buyer's account.

Please provide the signature of a duly authorized signatory where indicated below and return this letter to the attention of *Jessica Markowitz* at the following e-mail address: Jessica.markowitz@lehman.com.

If you have any questions, please contact *Jessica Markowitz* at 212-526-7598.

2

LEHMAN BROTHERS INC.

Stonehill Institutional Partners, L.P.

By: 

By: 

Name: MARTHA G. MARTINEZ
Title: AUTHORIZED SIGNATORY

Name: Steven D. Nelson

Title: CEO

Date: _____

Date: 4/3/08

LEHMAN BROTHERS INC
TRADE CONFIRMATION

To: Stonehill Offshore Partners Limited
Contact: Steve Nelson
Tel No.: 212-739-7470
Fax No.: 212-838-2291
Email: snelson@stonehillcap.com

From: Lehman Brothers Inc.
Contact: Denise Rosselli
Tel No.: 212-526-1490
Fax No.: 646-758-4993
Email: drossell@lehman.com

Trade Confirmations: Jessica Markowitz
Tel. No.: 212-526-1490
Fax No.: 646-758-4993
Email: Jessica.markowitz@lehman.com

We are pleased to confirm the following transaction (the "Transaction"):

Trade Date: March 27, 2008
Seller: Stonehill Offshore Partners Limited, as Principal
Buyer: Lehman Brothers Inc., as Principal
Issuer: US Power Generating Company
Quantity: 8,730 Class A Shares issued under Certificate of Incorporation (as amended or amended and restated from time to time, the Certificate of Incorporation) of US Power Generating Company, a Delaware corporation
Purchase Price: \$28.00 per Unit
Other terms:

1. Buyer and Seller agree that the Transaction shall be subject to the transfer requirements set forth in the Certificate of Incorporation; it being understood and agreed that Buyer shall cooperate in all reasonable respects with Seller to cause the Transaction to satisfy such requirements;
2. Buyer and Seller agree to execute and deliver any necessary documentation required pursuant the Certificate of Incorporation (the "Certificate") or by counsel to the Issuer (including, without limitation, in the case of Buyer, a Rule 144A Certificate, Regulatory Certificate and if applicable, a Confidentiality Agreement and, in the case of both parties, a NASD Transfer Form and Letter Agreement with respect to Section 1(b)(1) of Article Five of the Certificate), in order to effect the Transaction.
3. All dividends, payments or any other distributions made on or after the Trade Date are for the Buyer's account.

Please provide the signature of a duly authorized signatory where indicated below and return this letter to the attention of *Jessica Markowitz* at the following e-mail address: Jessica.markowitz@lehman.com.

If you have any questions, please contact *Jessica Markowitz* at 212-526-7598.

2

LEHMAN BROTHERS INC.

Stonehill Offshore Partners Limited

By: 

By: 

Name: MARTHA G. MARTINEZ
Title: AUTHORIZED SIGNATORY

Name: Steven D. Nelson

Title: CEO

Date: _____

Date: 4/2/08

SD Exhibit H(b)

7
Screen Printed

EquityMSG

Page 1 / 2

1/23 8:50:20
From: JAY COYLE (MERRILL LYNCH/NY,WFC)

Subject: PROJECT ENERGY BANK DEBT -

No Attachments



FIRST DAY AT BANK OF AMERICA

Cell:(917)699-9191

ENERGY PROJECT BANK DEBT

ANP TL A	92 - 94	3x3	LA PALOMA 1ST	71 - 73 $\frac{1}{2}$	3x
ANP TL B	89 - 91	3x3	LA PALOMA 2ND	59 - 63	2x2
BOSTON GEN 1ST	62 $\frac{1}{4}$ - 64 $\frac{1}{4}$	5x3	LIBERTY ELEC 1ST	75 - 80	
BOSTON GEN 2ND	26 $\frac{1}{2}$ - 31 $\frac{1}{2}$	2x2	LIBERTY ELEC MEZZ	50 - 55	
BOSTON GEN MEZZ	7 - 12	2x2	LONGVIEW STRIP	70 - 72	P/B
US POWER EQUITY	6.00 - 7.50	50kx75k	MACHGEN 2ND	60 - 62	3x3
BOSQUE TERM	65 - 70	3x	MACHGEN UNITS	90 - 130	5kx5k
ENTEGRA 2ND LIEN	71 - 72 $\frac{1}{2}$	3x3	TENASKA 1ST	88 - 90	
ENTEGRA 3RD LIEN	33 - 35	3x3	TENASKA 2NDS	62 - 65	2x2
ENTEGRA EQUITY	3.00 - 4.00	75x75	ASTORIA 1ST	84 $\frac{1}{2}$ - 86	
KELSON 1ST	78 - 81	3x2	ASTORIA 2NDS	71 - 74	P/S
KELSON 2ND	47 $\frac{1}{2}$ - 51 $\frac{1}{2}$	5x5			
KELSON MEZZ	27 - 37				

Unsettled Zarlink Trades

8/15/2008	Total Qty	Off	SI		Total Cost	Off	SI
Original trade	55,000	25,300	29,700		41,402.00	19,045.00	22,357.00
Unsettled	14,000	6,440	7,560		10,539	4,847.82	5,690.87
	25.45%				25.45%		
Corrected	41,000	18,860	22,140		30,863	14,197.18	16,666.13
8/20/2008							
Original trade	60,500	27,830	32,670		46,029	21,173.00	24,856.00
Unsettled	45,500	20,930	24,570		34,617	15,923.50	18,693.36
	75.21%				75.21%		
Corrected	15,000	6,900	8,100		11,412	5,249.50	6,162.64
Pre-adj	7,654,640	5,490,156	2,164,484		5,663,502.66	3,974,221.71	1,689,280.95
Adjustments		(27,370)	(32,130)			(20,771.31)	(24,384.23)
New	7,595,140	5,462,786	2,132,354		5,618,347.12	3,953,450.40	1,664,896.72
Cash Adj on unsettled	CAD			Rate	USD		
8/15/2008	11,193.00	5,148.78	6,044.22	0.94154			
8/20/2008	36,818.60	16,936.56	19,882.04	0.94020			
Claim on Exhibit I	48,011.60	22,085.34	25,926.26				
CUSIP # 989139100							

Stonehill Offshore Exhibit J						
FX Forward Adj						
9/19/2008						
FX	Due Date	Offshore Qty	Cost	Price	FMV	Unrealized
CAD	5/26/09	(6,650,000)	(6,443,798.45)	0.9510046	(6,324,180.74)	119,617.71
CAD	5/26/09	(5,520,000)	(5,374,616.62)	0.9510046	(5,249,545.51)	125,071.11
CHF	12/29/08	(19,000,000)	(18,399,264.03)	0.9103138	(17,295,962.04)	1,103,301.99
Euro	12/29/08	(14,000,000)	(21,220,080.00)	1.4439997	(20,215,995.80)	1,004,084.20
Euro	6/24/09	(6,695,500)	(10,287,635.75)	1.4326946	(9,592,606.69)	695,029.06
GBP	9/22/08	(4,100,000)	(8,099,550.00)	1.8357450	(7,526,554.50)	572,995.50
GBP	12/22/08	(9,000,000)	(17,747,100.00)	1.8262393	(16,436,153.70)	1,310,946.30
GBP	3/26/09	(9,000,000)	(17,362,800.00)	1.8152082	(16,336,873.80)	1,025,926.20
GBP	6/24/09	(1,500,000)	(2,888,175.00)	1.8061452	(2,709,217.80)	178,957.20
					(101,687,090.59)	6,135,929.26
					(107,823,019.85)	
					TOTAL	6,135,929.26

page 2 of 3

LEHMAN BROTHERS INC
745 7TH AVE
NY 10019

**FUTURES/FOREIGN EXCHANGE
CONFIRMATION**

STONEHILL OFFSHORE PART LTD
C/O CITCO FD SERVICES
PO BOX 31106 SMB
GRAND CAYMAN
CAYMAN ISLANDS

SEP 22, 2008	
IR NUMBER	ACCOUNT
099	23040125
Page 2	

US NON-SEGREGATED ACCOUNT

----- FOREIGN EXCHANGE OPEN POSITIONS -----						
Date	B/S	Base Currency	Maturity	Currency Pair	Counter Amount	Rate
					Total FX Long Option Value	Net Present Value
					Total FX Short Option Value	OCR* USD
					Net FX Option Value	OCR* USD

----- Foreign Exchange Position Delta Summary -----				
Curr	Notional	USD Equivalent	Delta Notional	Delta USD Equiv
EUR	20,695,500.00DB	29,808,602.49DB	20,695,500.00DB	29,808,602.49DB
GBP	19,500,000.00DB	35,482,245.30DB	19,500,000.00DB	35,482,245.30DB
CAD	12,170,000.00DB	11,573,726.25DB	12,170,000.00DB	11,573,726.25DB
CHF	19,000,000.00DB	17,295,962.04DB	19,000,000.00DB	17,295,962.04DB
Sum of the Absolute Values:		94,160,536.08		94,160,536.08

----- MARGIN REQUIREMENT SUMMARY -----			
	Margin Requirement Initial	Equity Excess/Deficit	Margin Call/Excess
GBP	OCR	4,100,000.00DB	4,100,000.00DB
JPY	CR	CR	CR
USD	4,642,874.10DB	8,099,550.00CR	3,456,675.90CR

Total Value in Base Currency

USD	4,642,874.10DB	572,995.50CR	4,069,878.60DB
-----	----------------	--------------	----------------

----- ACCOUNT VALUE SUMMARY -----						
	Account Balance	Unrealized G/L on Futures	Net Present Value on Forwards	Net Option Value	Collateral Market Value	Net Liquidating Value
GBP	4,100,000.00DB	OCR	OCR	OCR	OCR	4,100,000.00DB
JPY	CR	CR	CR	CR	CR	CR
USD	8,099,550.00CR	OCR	5,489,298.79CR	OCR	OCR	13,588,848.79CR

Total Value in Base Currency

USD	572,995.50CR	OCR	5,489,298.79CR	OCR	OCR	6,062,294.29CR
-----	--------------	-----	----------------	-----	-----	----------------

***** CURRENCY CONVERSION RATES *****		
Base Currency - USD		
POUND STG	GBP	1.8357450 *
J YEN	JPY	107.0700000 *

LEHMAN BROTHERS INC
745 7TH AVE
NY 10019FUTURES/FOREIGN EXCHANGE
CONFIRMATIONSTONEHILL OFFSHORE PART LTD
C/O CITCO FD SERVICES
PO BOX 31106 SMB
GRAND CAYMAN
CAYMAN ISLANDS

SEP 22, 2008	
IR NUMBER	ACCOUNT
099	23040125
Page 1	

US NON-SEGREGATED ACCOUNT

----- OPENING ACCOUNT BALANCES -----

POUND STG	OCR
J YEN	CR
US DOLLAR	OCR

----- FOREIGN EXCHANGE SETTLEMENTS -----
Date B/S Base Currency Maturity Currency Pair Counter Amount Rate Net Present Value

The settlement amounts shown below are reflected in the closing cash balance for each currency.

9/19/07 S	4,100,000.00DB	22SEP08	GBP/USD	8,099,550.00CR	TYPE	1.9755000	
-----------	----------------	---------	---------	----------------	------	-----------	--

----- CLOSING ACCOUNT BALANCES -----

POUND STG	4,100,000.00DB*
J YEN	CR*
US DOLLAR	8,099,550.00CR*

----- FOREIGN EXCHANGE OPEN POSITIONS -----
Date B/S Base Currency Maturity Currency Pair Counter Amount Rate Net Present Value

3/24/08 S	14,000,000.00DB	29DEC08	EUR/USD	21,220,080.00CR	TYPE	1.5157200	995,341.86CR USD
-----------	-----------------	---------	---------	-----------------	------	-----------	------------------

Net Present Value 995,341.86CR* USD

Undiscounted MTM 1.4439997 1004,084.20CR* USD

6/21/08 S	6,695,500.00DB	24JUN09	EUR/USD	10,287,635.75CR	TYPE	1.5365000	678,014.44CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	------------------

Net Present Value 678,014.44CR* USD

Undiscounted MTM 1.4326946 695,029.06CR* USD

2/19/07 S	9,000,000.00DB	22DEC08	GBP/USD	17,747,100.00CR	TYPE	1.9719000	1,300,395.52CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value 1,300,395.52CR* USD

Undiscounted MTM 1.8262393 1310,946.30CR* USD

3/24/08 S	9,000,000.00DB	26MAR09	GBP/USD	17,362,800.00CR	TYPE	1.9292000	1,008,044.36CR USD
-----------	----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value 1,008,044.36CR* USD

Undiscounted MTM 1.8152082 1025,926.20CR* USD

6/20/08 S	1,500,000.00DB	24JUN09	GBP/USD	2,888,175.00CR	TYPE	1.9254500	174,576.24CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

Net Present Value 174,576.24CR* USD

Undiscounted MTM 1.8061452 178,957.20CR* USD

4/10/08 B	5,374,616.62CR	26MAY09	USD/CAD	5,520,000.00DB	TYPE	1.0270500	122,281.17CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

3/31/08 B	6,443,798.45CR	26MAY09	USD/CAD	6,650,000.00DB	TYPE	1.0320000	116,949.42CR USD
-----------	----------------	---------	---------	----------------	------	-----------	------------------

et	11,818,415.07CR*			12,170,000.00DB*			
----	------------------	--	--	------------------	--	--	--

Net Present Value 239,230.59CR* USD

Undiscounted MTM 1.0515196 257,295.09CR* CAD

5/20/08 B	18,399,264.03CR	29DEC08	USD/CHF	19,000,000.00DB	TYPE	1.0326500	1,093,695.78CR USD
-----------	-----------------	---------	---------	-----------------	------	-----------	--------------------

Net Present Value 1,093,695.78CR* USD

Undiscounted MTM 1.0985223 1212,001.84CR* CHF

Undiscounted MTM In Base 1103,301.99CR* USD

Total FX Forward NPV 5,489,298.79CR* USD

Total FX Undiscounted MTM 5,562,933.77CR* USD

----- CONTINUED ON NEXT PAGE -----

LSTA PAR/NEAR PAR TRADE CONFIRMATION

To: *Kelts LLC*
Attention: *William Pool*
Phone No.: *(203)618-2779*
Fax No.: *(203)422-4599*
Email: *harry.pool@rbsgc.com*

From: *Stonehill Offshore Partners Limited*
Attention: *Ann Mauro*
Phone No.: *212-739-7474*
Fax No.: *212-838-2291*
Email: *amauro@stonehill.nb.com*

Date: *08/13/2008*

We are pleased to confirm the following transaction, subject to the Standard Terms and Conditions for Par/Near Par Trade Confirmations (the "Standard Terms and Conditions") published by The Loan Syndications and Trading Association, Inc.® (the "LSTA") as of December 1, 2006, which Standard Terms and Conditions are incorporated herein by reference without any modification whatsoever except as otherwise agreed herein by the parties and specifically set forth in the "Trade Specific Other Terms of Trade" section below. The parties hereto agree to submit any dispute as to the reasonableness of a buy-in or sell-out price to binding arbitration in accordance with the LSTA "Rules Governing Arbitration Between Loan Traders With Regard to Failed Trades" in existence on the Trade Date, and to comply with any award or decision issued in connection with such an arbitration proceeding. Capitalized terms used and not defined in this Confirmation have the respective meanings ascribed thereto in the Standard Terms and Conditions.

Trade Date: 08/01/2008

Seller: Stonehill Offshore Partners Limited ☒ Principal ☐ Agent

Buyer: Kelts LLC ☒ Principal ☐ Agent

Credit Agreement: CREDIT AGREEMENT dated as of December 21, 2006 among EBG HOLDINGS LLC, the Lenders from time to time party thereto, and CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as administrative agent

Borrower: EBG HOLDINGS LLC

Form of Purchase: Assignment

**Purchase Amount/
Type of Debt:**

Purchase Amount	Type of Debt	Facility	CUSIP Number
USD 2,000,000.00	Term	Loan	

565561001

Purchase Rate: 89.500% Loan

Up Front Fees: Loan None
(if any):

Credit Documentation No
to be provided:

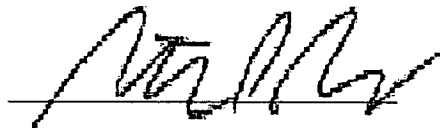
Trade Specific
Other Terms of Trade: Recordation Fee is split and no more than one full fee.

Please provide the signature of a duly authorized officer or other signatory where indicated below and return this letter to the attention of Chris Bleakley at ClearPar at the following fax number (646)453-2870 or email address: christopher.bleakley@fnis.com

If you have any questions, please contact Chris Bleakley at (845)639-4890.

Stonehill Offshore Partners Limited
By: Stonehill Advisers LLC

By:



Name: Steven Nelson

Title:

Kelts LLC

By: The Royal Bank of Scotland plc, as sole
member

By: Greenwich Capital Markets, Inc., its agent

By:



Name: Karen Brewer

Title:

Date: August 26, 2008

Status: Effective

To: Kelts LLC as Buyer
Attn: William Pool
Phone: (203)618-2779
Fax: (203)422-4599From: Stonehill Offshore Partners Limited as Seller
Attn: Ann Mauro
Phone: 212-739-7474
Fax: 212-838-2291Trade Date: August 1, 2008
Credit Agreement: BOSTON GENERATING EBG Mezz (12/06)Facility: Loan
Global Commitment: USD 359,219,921.50
Sale Amount: USD 2,000,000.00
Percentage of Total: 0.5567619946%
Loans outstanding under facility as of August 26, 2008 (Effective Date)

Pricing Option:	Cur	Global Amount of Loan:	Buyer's Share of Loan:	Start Date:	Repricing Date:	Base Rate:	Margin:	RAC Rate:	All In Rate:	Exchange Rate:
LIBOR	USD	359,219,921.50	2,000,000.00	Jun 30, 2008	Sep 30, 2008	2.800630	7.000000	0.000000	9.800630	

Funding Memorandum
Payment Details

On Aug 26, 2008 Buyer will remit to Seller USD 1,788,283.65 calculated as follows:

1,790,000.00 USD (89.5000% x Buyer's share of outstanding loans under the Loan Facility)

(Seller will remit full Assignment fee 0.00 USD to the Agent - Not included in remittance amount above)

(1,716.35 USD) (Other Fee - Cost of Carry on Aug 26, 2008)

Seller's Payment Instructions:

Bank: Chase Manhattan (NYC)
ABA #: 021-000-021
Account #: 140 094 221
Account Name: Lehman Brothers
FFC: Stonehill Offshore Partners Limited #: 732-40125
Attention: Dmitry Kovalev
Reference: BOSTON GENERATING EBG Mezz (12/06)

Reference Number:

Seller and Buyer hereby agree that payment will be made as calculated above on the Settlement Date.

STONEHILL OFFSHORE PARTNERS LIMITED

By: Stonehill Advisers LLC

KELTS LLC

By: The Royal Bank of Scotland plc, as sole member

By: Greenwich Capital

Markets, Inc., its agent

By: _____

Name:

Title:

By: _____

Name:

Title:

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between Stonehill Offshore Partners Limited (the "Assignor") and Kelts LLC (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: Stonehill Offshore Partners Limited
2. Assignee: Kelts LLC
3. Borrower(s): EBG Holdings LLC
4. Administrative Agent: Credit Suisse, Cayman Islands Branch, as the administrative agent under the Credit Agreement
5. Credit Agreement: The Credit Agreement dated as of December 21, 2006 among the Borrower, the Guarantors, the Lenders and certain other lender parties party thereto, the Administrative Agent, CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Co-Syndication Agents, CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Co-Documentation Agents, and CREDIT SUISSE SECURITIES (USA) LLC and GOLDMAN SACHS CREDIT PARTNERS L.P., as Joint Lead Arrangers and Joint Book Running Managers.

6. Assigned Interest:

Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
Loan	USD 359,219,921.50	USD 2,000,000.00	0.556761995%

Effective Date: August 26, 2008

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

page 4 of 7

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

STONEHILL OFFSHORE PARTNERS LIMITED, as
Assignor

By: Stonehill Advisers LLC

By: 

Name: Steven Nelson

Title:

ASSIGNEE

KELTS LLC, as Assignee

By: The Royal Bank of Scotland plc, as sole member

By:

Greenwich Capital Markets, Inc., its agent

By: 

Name: Karen Brewer

Title:

page 5 of 7

Consented to and Accepted:

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Administrative Agent

By: Carolyn T. Stephens

Name: Carolyn Stephens

Title: Assistant Vice President

By: Shoshana Tyson

Name: Shoshana Tyson

Title: Credit Suisse Authorized Signer

Consented to:

EBG HOLDINGS LLC

By: N/A

Name:

Title:

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received and/or had the opportunity to review a copy of the Credit Agreement to the extent it has in its sole discretion deemed necessary, together with copies of the most recent financial statements delivered pursuant to Section 5.03 thereof, as applicable, and such other documents and information as it has in its sole discretion deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Person organized under the laws of a jurisdiction outside the United States, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Pg 171 of 180
SD Exhibit K(c)

page 1 of 3

Steven Nelson

From: Dvorski, Vera [vera.dvorski@barclayscapital.com]
Sent: Friday, October 10, 2008 11:14 AM
To: Steven Nelson; Kovalev, Dmitriy; Marco, Paul
Subject: RE: Boston Gen EBG Mezz

Hi,

I entered it this morning. Sorry about the delay.

Regards,

Vera Dvorski
Barclays Capital | Capital Markets Prime Services
Phone: (212)-526-2361
Fax: (646) 834-4652
Email: vera.dvorski@barclayscapital.com

-----Original Message-----

From: Steven Nelson [mailto:SNelson@stonehillcap.com]
Sent: Friday, October 10, 2008 11:01 AM
To: Dvorski, Vera; Kovalev, Dmitriy; Marco, Paul
Subject: RE: Boston Gen EBG Mezz

We don't see this in our account.

Steve Nelson
Stonehill Capital Management
885 Third Avenue
30th Floor
New York, NY 10022
T - 212.739.7470 (direct)
T - 212.739-7474
F - 212.838.2291
snelson@stonehillcap.com

-----Original Message-----

From: Dvorski, Vera [mailto:vera.dvorski@barclayscapital.com]
Sent: Wednesday, October 08, 2008 6:24 PM
To: Steven Nelson; Kovalev, Dmitriy; Marco, Paul
Subject: Re: Boston Gen EBG Mezz

Hi,

Yes, the money should be in your acct tomorrow.

Regards,
Vera

----- Original Message -----

From: Steven Nelson <SNelson@stonehillcap.com>
To: Steven Nelson <SNelson@stonehillcap.com>; Kovalev, Dmitriy; Marco, Paul; Dvorski, Vera
Sent: Wed Oct 08 18:17:24 2008
Subject: RE: Boston Gen EBG Mezz

Any luck with this?

Steve Nelson

Stonehill Capital Management

885 Third Avenue

30th Floor

New York, NY 10022

T - 212.739.7470 (direct)

T - 212.739-7474

F - 212.838.2291

snelson@stonehillcap.com

From: Steven Nelson

Sent: Wednesday, October 08, 2008 10:08 AM

To: 'Kovalev, Dmitriy'; 'Marco, Paul'; 'Dvorski, Vera'

Subject: FW: Boston Gen EBG Mezz

Please see the message below. Offshore should have rec'd \$1,788,283.65 on 8/27/08.
Please check on this.

Thanks,

Steve Nelson

Stonehill Capital Management

885 Third Avenue

30th Floor

New York, NY 10022

T - 212.739.7470 (direct)

T - 212.739-7474

F - 212.838.2291

snelson@stonehillcap.com

From: Marie.Cowell@rbsgc.com [mailto:Marie.Cowell@rbsgc.com]

Sent: Wednesday, October 08, 2008 9:57 AM

To: Steven Nelson; loanops@rbos.com

Subject: RE: Boston Gen EBG Mezz

Steven,

page 3 of 3

funds were sent on 8/27/08. The Book Transfer # is 0661600240JS.
Please let me know if you have any more questions.

1,788,283.65 BOOK TRANSFER DEBIT BOOK 0661600240JS SAME 17:04 08/27/2008 STRAIGHT

YOUR REF: ADHPHRF30082400W

PAID TO: 00000000140094221 LEHMAN BROS INC-INCOMING CUST FD INCOMING

CUSTOMER FUNDS CLS NEW YORK NY 10019

SWIFT ID: GRNWUS33

B/O CUSTOMER: GREENWICH CAPITAL MARKETS INC 600 STEAMBOAT RD GREENWICH CT

06830-7149

ACCT PARTY: /732907552 LBI

REC GFP: 08272102

Thanks.

Marie Cowell
RBS Global Banking & Markets
Office: +1 203 618 2684

-----Original Message-----

From: Steven Nelson [mailto:SNelson@stonehillcap.com]
Sent: Wednesday, October 08, 2008 9:24 AM
To: *GCM Loan Operations
Subject: Boston Gen EBG Mezz

Stonehill Offshore Partners Limited sold to you a qty of 2,000,000 of Boston Gen thru clearpar. It was trade #565561-001 and it closed on 8/26/08. The funding memo called for you to pay us \$1,788,283.65 but we have yet to receive the funds. Please check your records and get back to me.

Thanks,

Steve Nelson

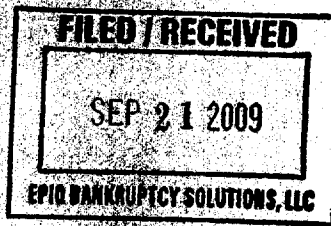
Stonehill Capital Management

885 Third Avenue

30th Floor

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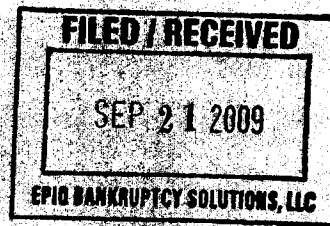
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